



# **Daily Report—**

## **China**

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# Daily Report

## China

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## General

### Further Reportage on NPT Meeting

#### China Supports Extension

OW1804230495 Beijing XINHUA in English 2152  
GMT 18 Apr 95

[FBIS Transcribed Text] United Nations, April 18 (XINHUA)—The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) has played a positive role in containing nuclear weapon proliferation and China supports its smooth extension, Chinese Vice-Premier Qian Qichen said here today.

Qian, who is also China's foreign minister, said China supports the three major objectives of the treaty—promotion of nuclear disarmament, prevention of nuclear proliferation and enhancement of international cooperation for peaceful uses of nuclear energy.

Qian was addressing the 1995 Review and Extension Conference of the Parties to the NPT, which will review the implementation of the 25-year-old treaty and decide on its extension.

Noting that the NPT has become the most universal treaty in the field of arms control since it was concluded 25 years ago, he said to reaffirm the three objectives of the treaty in the new international situation "will contribute to the maintenance of international peace, security and stability."

While praising the positive role of the treaty, Qian also noted that the NPT has its limitations and defects. The treaty "is unbalanced in certain aspect as it sets out different rights and obligations for different States Parties," he said.

Qian also noted that China believes "such limitations and defects could be gradually redressed and corrected through continued progress in nuclear disarmament and enhanced cooperation between countries for the peaceful uses of nuclear energy."

The Chinese foreign minister stressed in his speech that the prevention of nuclear weapon proliferation is not an end in itself, but an intermediate step leading toward the ultimate objective of complete and thorough destruction of nuclear weapons.

The NPT, which has now 178 States Parties, went into effect in March 1970 for a period of 25 years. China acceded to the treaty in March 1992. The current UN Conference on the review and extension of the NPT will end on May 12.

#### Further on China's Position

OW1804231195 Beijing XINHUA in English 2156  
GMT 18 Apr 95

[FBIS Transcribed Text] United Nations, April 18 (XINHUA)—China supports the smooth extension of the

Treaty on the Non-Proliferation of Nuclear Weapons (NPT), Chinese Vice-Premier and Foreign Minister Qian Qichen declared here today.

As head of the Chinese delegation to the on-going UN Conference on the review and extension of the NPT, Qian explained China's position on the smooth extension of the treaty.

In accordance with the provisions of the treaty concluded in 1970, he noted, the parties to the NPT now face the choices of indefinite extension, extension by one fixed period or extension by multiple periods.

"We hold that the option for extension of one fixed period is not desirable," he said.

He further discussed the other two choices for the extension of the treaty.

"If the option for indefinite extension is chosen, it is our stand that it must be made clear that such an extension should in no way be interpreted as perpetuating the nuclear-weapon States' prerogative to possess nuclear weapons," he said. "And should the option for extension by multiple periods is chosen, we hold that each fixed period should not be less than 25 years."

"Whichever option we are going to take, there should be continued regular reviews of the implementation of the treaty," he noted.

He expressed China's belief that there are more agreements than differences among States Parties and that through constructive cooperation the parties shall be able to achieve the smooth extension of the treaty.

"We call for intensive consultation and broad agreement among the States Parties in order to adopt the decision on the extension of the treaty by consensus," the Chinese foreign minister said. "In the mean time, we hold that the nuclear-weapon states have the obligation to provide negative and positive security assurances to the non-nuclear-weapon States, which is essential to the extension of NPT."

The nuclear Nonproliferation Treaty, concluded in March 1970 for a period of 25 years, now has 178 States Parties. The UN Conference on the review and extension of the treaty will end on May 12.

#### 'Complete Prohibition' Sought

OW1804232495 Beijing XINHUA in English 2158  
GMT 18 Apr 95

[FBIS Transcribed Text] United Nations, April 18 (XINHUA)—China stands for complete prohibition and thorough destruction of nuclear weapons, Chinese Vice-Premier and Foreign Minister Qian Qichen said here today.

"The prevention of nuclear weapon proliferation is not an end in itself, but an intermediate step leading toward the ultimate objective of complete prohibition and thorough destruction of nuclear weapons," Qian told the

current UN Conference on the review and extension of the nuclear Nonproliferation Treaty (NPT).

Qian reiterated China's consistent position on nuclear weapons:

— Complete prohibition of nuclear weapons should be the primary objective

A convention on the complete prohibition of nuclear weapons should be concluded in the same way as the conventions banning all biological and chemical weapons. It should provide for the complete prohibition and thorough destruction of nuclear weapons under effective international supervision.

— Pending the complete prohibition of nuclear weapons, it is necessary to adopt measures to prevent the threat of nuclear weapons.

Nuclear-weapon States should demonstrate their political will by undertaking not to be the first to use nuclear weapons against each other and by undertaking unconditionally not to use or threat to use nuclear weapons against non-nuclear-weapon States and nuclear-weapon-free zones. The nuclear-weapon States should naturally make such commitments at the earliest possible date. If such commitments are undertaken by concluding treaties or international legal instruments, the possibility of use of nuclear weapons will in effect be eliminated.

— A comprehensive nuclear test ban treaty should be concluded through negotiations as soon as possible, not later than 1996. A convention banning the production of fissile materials for nuclear weapon purposes should also be concluded through negotiations. These intermediate steps will facilitate the realization of the ultimate goal of complete prohibition and thorough destruction of nuclear weapons.

The UN Conference starting Monday is now working to review the implementation of NPT concluded 25 years ago, and to decide on its extension.

#### China's Stand Reaffirmed

OW1804233195 Beijing XINHUA in English 2200  
GMT 18 Apr 95

[FBIS Transcribed Text] United Nations, April 18 (XINHUA)—China has never shied away from its due obligations for nuclear disarmament and has undertaken some unilateral obligations not undertaken by any other nuclear-weapon States, Chinese Vice-Premier and Foreign Minister Qian Qichen said here today.

Speaking at the current Nonproliferation Treaty Review and Extension Conference, Qian said that China has unilaterally undertaken such obligations as not to be the first to use nuclear weapons and not to use or threaten to use nuclear weapons against non-nuclear-weapon States and nuclear-weapon-free zones.

China does not endorse the policy of nuclear deterrence and the nuclear weapons developed by China are solely for self-defense, never meant to pose against or threaten any specific country, he reiterated.

China has all along advocated complete prohibition and thorough destruction of nuclear weapons and never joined in the nuclear arms race, he said.

On nuclear testing, he said, China has exercised restraint in nuclear testing from the very beginning and has conducted fewer nuclear tests than any other nuclear-weapon State.

The foreign minister said, China calls for the conclusion of a treaty on no-first-use of nuclear weapons by the nuclear-weapon States.

China and Russia have issued a joint statement, undertaking not to be the first to use nuclear weapons against each other and to deter their respective nuclear weapons away from each other, he noted.

#### World Bank Loans Help Environmental Protection

OW1704161495 Beijing XINHUA in English 1558  
GMT 17 Apr 95

[FBIS Transcribed Text] Shenyang, April 17 (XINHUA)—The foundation stone has been laid for the construction of an environmental protection training center in this capital of northeast China's Liaoning Province, which will involve 1.3 million US dollars in World Bank loans and five million yuan from the central government.

This is the first-phase project of the World Bank's effort to help the city with its environmental protection. Last year the city signed with the World Bank an agreement for an industrial loan worth 175 million U.S. dollars, ten million U.S. dollars of which is designated for environmental protection.

The training center is aimed at training managerial personnel who can master modern environment management theory and methods, and take part in international technical exchanges and co-operation.

The center will cover an area of 17,000 sq m, and be equipped with a computer system, a library and other facilities. It will be able to train 600 people a year.

#### Zhu Rongji Meets With EU Delegation in Beijing

OW1804143595 Beijing XINHUA in English 1315  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—Chinese Vice-Premier Zhu Rongji met here this afternoon with Leon Brittan, vice-president of the European Commission of the European Union (EU), and his party.

During the meeting, Zhu said that China attaches much importance to developing ties with the EU and hopes to further bilateral cooperation.

Brittan, who arrived here today on his third visit to China in a year, said that the EU also pays much attention to its cooperation with China and is willing to establish a new and powerful relationship with the country.

Besides Beijing, Brittan is going to visit southwest China's Sichuan Province and central China's Hubei Province.

Following the meeting, Sun Zhenyu, vice-minister of Foreign Trade and Economic Cooperation, also met with the EU guests.

#### **Shanghai Hosts International Medicine Conference**

OW1804140295 Beijing XINHUA in English 1341  
GMT 18 Apr 95

[FBIS Transcribed Text] Shanghai, April 18 (XINHUA)—The largest-ever conference on disaster and emergency medicine opened in Shanghai in east China today.

The conference was jointly sponsored by China's Ministry of Public Health, the World Association for Disaster and Emergency Medicine, the Bureau of Public Health of San Francisco in the United States and the University of Tokyo, Japan.

More than 300 representatives from 25 countries and regions, including China, the US, Japan and Hong Kong, are attending the conference.

The conference is aimed at strengthening the ability of emergency medical personnel at various levels and displaying the most complete and latest knowledge and experience in the field, according to S. William A. Gunn, president of the World Association for Disaster and Emergency Medicine.

Leading scholars in the field, including B. Nemitz from the World Health Organization and Koji Mii from Japan, have presented over 270 papers to the conference.

#### **China Marks Bandung Conference 40th Anniversary**

OW1804153495 Beijing XINHUA in English 1407  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—A veteran Chinese diplomat said here today that China will never loosen the friendly ties it has established with developing countries, though the international situation has greatly changed.

Huang Hua, former Chinese foreign minister, told a gathering to mark the 40th anniversary of the Bandung

Conference that "China is a reliable friend of the developing countries and, under the new circumstances, a better unity should be consolidated among us".

He explained that the Five Principles of Peaceful Co-Existence set forth at the Bandung conference in 1955 still serve as the basic guidelines to deal with current international relations and it has a powerful and long life.

The conference, held at Bandung in Indonesia and attended by 29 Asian and African countries, signaled the appearance of the developing countries as a rising force on the international political stage.

The conference also resulted in the nonaligned movement and the formation of "The Third World".

At the conference, Huang was a political advisor to the Chinese delegation headed by late Premier Zhou Enlai, who put forward the Five Principles of Peaceful Co-Existence.

More than 100 officials and scholars from different social strata, as well as some Asian countries' diplomats, attended the gathering, which was sponsored by the Chinese Academy of Social Sciences.

#### **China Lifts Foreign Film Import Quota**

OW1804153995 Beijing XINHUA in English 1440  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—Sources at the Chinese Film Administration said here today that the country has decided to drop the limits on imports of foreign films this year.

They said that the move will help develop the Chinese film industry and satisfy popular demand.

They also said that China will keep its promise that the ten most popular foreign films will be imported each year, which the government made in 1994.

The US movie "True Lies" is expected to hit cinemas nationwide, starting later this month, he revealed.

Chinese film studios turn out some 220 films annually, and the official quota for foreign films used to be about 60.

After the quota being lifted, the status of the China Film Export And Import Corporation (Chinafilms) will not be jolted, the official said—all the importing business will be done by the state-run company as before.

Wang Zengfu, deputy general manager of the company, added that the numbers of imported films will still be influenced by Chinafilms' capacity and market fluctuations.

"In addition, China will keep the examination of foreign films to make sure their contents are in line with the Chinese situation and laws," he said.

A recession in the Chinese film industry took place in the 1980s. Wang maintained that it is not wise to protect national films by closing the market to the outside world.

The opening-up policy is now acclaimed by most local cinemas, film distribution companies and fans, according to Wang. But some people are afraid that there will be a threat to state-run film studios.

Other people are paying attention to the copyright issue, as more foreign products are introduced.

A national film copyright protection network was set up this month to check on copyright violations. Officials are also discussing the establishment of a film copyright protection foundation.

### United States & Canada

#### **Qian, Christopher Discuss Sino-U.S. Relations**

HK1904055495 Beijing XINHUA Domestic Service in Chinese 0449 GMT 18 Apr 95

[By reporter Gao Jian (7559 1017)]

[FBIS Translated Text] New York, 17 Apr (XINHUA)—Qian Qichen, Chinese vice premier of the State Council and foreign minister, met with U.S. Secretary of State Warren Christopher in New York on 17 April. They thoroughly and candidly [shen ru tan cheng di 3234 0354 0982 6134 0966] exchanged views on Sino-U.S. relations and other issues of common concern.

With regard to Sino-U.S. relations, Qian pointed out: Thanks to the concerted efforts by both sides, some new progress has been made recently in Sino-U.S. relations, which is an encouraging development. However, there remain some problems and difficulties in Sino-U.S. relations that both sides should deal with seriously, attend to with a positive and realistic attitude, and seek to resolve properly. At this time, the world situation is not stable. As China and the United States share common interests, maintaining good relations will be conducive to the healthy development of the international situation. Qian Qichen stressed that the issue of Taiwan is an important and sensitive one in Sino-U.S. relations. He said that China hopes the U.S. side will strictly observe the principles laid down in the three Sino-U.S. joint communiques, stick to the policy of "one China," and confine U.S.-Taiwan relations to those of an unofficial nature. The Chinese Government resolutely opposes any attempt to upgrade U.S.-Taiwan relations and fabricate "two Chinas" or "one China, one Taiwan."

Christopher reiterated that the U.S. side maintains that a strong, stable, open, and prosperous China is in keeping with the United States' fundamental interests. The U.S. side will maintain good, stable, and constructive cooperative relations with China, on the basis of equality and mutual respect.

The Chinese foreign minister and the U.S. secretary of state also discussed the issues of international security and nuclear nonproliferation, as well as other regional issues. They held that the success of the international community's efforts for nuclear nonproliferation conform with both China's and the United States' interests. They agreed to cooperate closely to expedite the achievement of the common goal of nuclear nonproliferation. To enhance cooperation in this regard, they decided that officials of the two countries should meet regularly to discuss the issue of nonproliferation of nuclear arms and other security problems concerned.

Qian Qichen and Christopher agreed that the "Treaty on Nonproliferation of Nuclear Arms" is indispensable to nuclear nonproliferation, nuclear disarmament, and the peaceful use of nuclear energy. They discussed the value of an extension of the treaty to the achievement of these aims, and agreed to coordinate closely with each other to ensure the success of the meeting.

The foreign minister and the secretary of state stressed the importance of safeguarding peace and stability on the Korean peninsula with a view to turning the peninsula into a nuclear-free zone. Both sides strongly supported the full implementation of the framework agreement between the United States and the DPRK regarding the nuclear issue. They maintained that dialogue between the northern and southern parts of Korea plays a crucial role in promoting peace and stability on the peninsula.

Both Qian Qichen and Christopher said they were happy with the first round of talks held in Washington on 10 and 11 April between Chinese and U.S. experts on the implementation of the 1985 Sino-U.S. nuclear cooperation accord. They agreed that the expansion of nuclear cooperation will bring major benefits to both sides. They decided that Chinese and U.S. experts should hold a second round of talks in early summer this year on cooperation in the peaceful use of nuclear energy.

Qian Qichen and Christopher reiterated their commitment to the Sino-U.S. "Joint Declaration on the Issue of the Proliferation of Guided Missiles," which was signed on 4 October last year, and they also discussed other relevant matters. They agreed to hold expert meetings on the system for the control of missiles and related technology as suggested by the joint declaration.

The two sides also agreed to exchange views on the issue of arms export control by their respective countries.

Present at the meeting were: On the Chinese side, Liu Huaqiu, vice minister of foreign affairs, Li Daoyu, Chinese ambassador to the United States, and Li Zhaoxing, Chinese permanent representative to the United Nations; and on the U.S. side, Undersecretary of State Peter Tarnoff, Undersecretary of State Lynn Davis; Madeleine K. Albright, U.S. permanent representative to the United Nations, and U.S. Ambassador to China J. Stapleton Roy.

### Northeast Asia

#### 'Newsletter' Recounts Qiao Shi's Visit to Tokyo HK1804152295 Beijing RENMIN RIBAO in Chinese 13 Apr 95 p 6

[“Newsletter from Japan” by staff reporters Ma Weimin (7456 3634 3046) and Zhang Guocheng (1728 0948 2052): “Promoting Stable Development of Sino-Japanese Relations—Chairman Qiao Shi in Tokyo”]

[FBIS Translated Text] Tokyo, 12 Apr (RENMIN RIBAO)—Spring is in the air and the cherry trees are blossoming. This is the best season in Tokyo. Since arriving here on 10 April, Qiao Shi, chairman of the National People's Congress Standing Committee, has been drenched in the friendship expressed by the Japanese people toward the Chinese. He has been meeting a wide spectrum of Japanese officials and non-officials in order to promote mutual understanding and jointly to propel Sino-Japanese relations to move forward steadily on a long-term basis.

In Tokyo, Qiao Shi and his delegation were received warmly by members of the House of Representatives and the House of Councillors, the Japanese Government, and friends from various circles. He paid visits to Japanese Emperor Akihito and his wife, to Prime Minister Hosokawa, to the speakers of the two houses, and to leading figures of various sectors. Through a friendly and broad exchange of views, the two sides reached consensus on many subjects. Qiao was very pleased with the results of his visit to Tokyo.

Qiao Shi and the prominent Japanese political figures he met all gave a highly positive assessment of the development of Sino-Japanese relations since the normalization of relations in 1972. Their view was that in the last 20 years or so, through the joint efforts of both sides, Sino-Japanese relations had surmounted the differences in the two countries' social systems, withstood the tests of unexpected changes in the international situation, and maintained the impetus of continuous development. As a result, in the fields of politics, economics, science and technology, and culture, Sino-Japanese exchanges and cooperation have taken big steps forward. Hara, speaker of the House of Councillors, said: Sino-Japanese relations have been getting concrete results, which is comforting.

On the encouragement and material help given by the Chinese Government and people to the Japanese people following the Osaka-Kobe earthquake, all levels of Japanese society repeatedly expressed their thanks to China. Doi, leader of the House of Representatives, recalled with deep feeling that at the time she seemed to hear the Chinese people calling: “Come on Japanese victims, don't lose heart!” Apart from again expressing his sympathy for the people affected by the earthquake, Qiao Shi also expressed thanks to the Japanese because Chinese students and nationals living in the Kansai area received a lot of care and attention during the earthquake. A

friend in need is a friend indeed. The people of the two countries encouraged and helped each other during the earthquake, providing new proof of Sino-Japanese friendship.

When he met Chairman Qiao, Speaker Hara related the following incident. He said: “When I visited China last year, I went to a monastery in Suzhou where, along with the abbot, I struck the bell twice, making two wishes at the same time: one was for world peace, the other was for the continuous development of Sino-Japanese relations. I must work to make them come true.” This sincere wish of Speaker Hara's manifested the value placed on Sino-Japanese friendship by the Japanese people. “Sino-Japanese friendship has been more instilled into people's hearts than ever, and has become an unstoppable historical trend.” This assessment by Chairman Qiao Shi matches the reality of Sino-Japanese relations.

This year is the 50th anniversary of victory in the world's fight against fascism. Qiao Shi's visit to Japan at this time therefore has particular significance. China and Japan have had more than 2,000 years of friendly contact, but in recent history there was also an unfortunate period. Understanding this period of history correctly, and learning useful lessons from it, have become “the political basis for further consolidating Sino-Japanese relations” and “the prerequisite for developing future long-term friendship.” The very evening he arrived in Tokyo, at a banquet given in his honor, Qiao Shi stressed that for China and Japan, this is “an important year linking the past and the future”. He said: On historical questions, China adopts a forward-looking attitude, and hopes that relations between the two countries will continue to move forward on the basis of seriously examining history and learning lessons from it. Chairman Qiao's attitude of being serious and understanding at the same time received a positive response from the speakers of the House of Representatives and the House of Councillors. The next day, during their meetings with the Chinese delegation, they gave a clear and positive response to this. Speaker Doi said: Japan will “face both history and the future honestly.” Speaker Hara said: Japan will “handle historical questions with a right attitude, ‘making the past serve as a reminder for the future,’ and will look toward the 21st century, ensuring that friendly relations will continue for generations to come.” Prime Minister Hosokawa also said clearly that on this 50th anniversary of the end of World War II, Japan is willing to face the future on the basis of deep reflection on past history, and is willing to strengthen friendly cooperation with China. His speech undoubtedly represents the wishes of the vast majority of Japanese people.

Of course, this does not mean that one can pay less attention to this matter. In the last few days, some Japanese newspapers were still fiercely debating “the no-war resolution”. Just yesterday at noon, on a Tokyo street, we witnessed a little farce about objecting to making apologies for war crimes. Phenomena like these

remind us that forces attempting to disrupt the healthy development of Sino-Japanese relations are surfacing stubbornly in this important year.

It has not been easy for Sino-Japanese relations to reach the positive situation they are in today; this is the result of the joint efforts of generations of people in both countries. Chairman Qiao Shi recalled that in the 50s and 60s, many Japanese politicians with foresight broke through many barriers to build the bridge of Sino-Japanese friendship under very difficult circumstances. Now, the politicians of both countries are facing a new historical role: to commit themselves to achieve as much as possible. The people of the two countries should join hands to remove all obstructions; take up the baton passed down from the founders of Sino-Japanese friendship; and bring healthy, stable and congenial Sino-Japanese relations into the 21st century.

#### **Qian Qichen Meets Japanese Counterpart**

OW1904002395 Beijing XINHUA in English 2345  
GMT 18 Apr 95

[FBIS Transcribed Text] United Nations, April 18 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with his Japanese counterpart Yohei Kono here today.

Qian said he was happy to see Chinese Leader Qiao Shi's visit to Japan. The Chinese government is looking forward to Japanese Prime Minister Tomiichi Murayama's visit to China and believes the visit will promote improvement of the bilateral relations between China and Japan, he said.

Qian said that the Japanese Government has made preparations for the unofficial conference of the Asia Pacific Economic Cooperation (APEC) and the Japanese side understands what the Chinese side is concerned about. He expressed the hope that the Japanese foreign minister will make efforts for the solution of the concern of the Chinese side so as to achieve a success of the conference.

Kono said that Chairman Qiao Shi made a successful visit to Japan. The Japanese side expressed gratitude to the Chinese government for its invitation of Prime Minister Murayama's visit to China.

The two foreign ministers exchanged views on the situation on the Korean Peninsula.

They also expressed the hope of reaching a treaty on complete nuclear test ban and to dismantle all nuclear weapons eventually.

#### **Further Reportage on Qiao Shi's ROK Visit**

**Meets With Prime Minister**  
OW1804144895 Beijing XINHUA in English 1311  
GMT 18 Apr 95

[FBIS Transcribed Text] Seoul, April 18 (XINHUA)—South Korean Prime Minister Yi Hong-ku met with

visiting Chinese top legislator Qiao Shi here today and they exchanged views on bilateral relations and the situation on the Korean Peninsula.

Both Qiao, Chairman of the Standing Committee of the National People's Congress (NPC) of China, and Yi expressed satisfaction over the development of bilateral relations since the two countries established diplomatic ties two years ago.

Welcoming Qiao's trip to South Korea, Yi said that South Korea and China, though neighboring countries, had isolated from each other for a long time.

However, the past two years have witnessed great progress in the development of bilateral relations, especially economic and trade ties, Yi said.

Qiao said Sino-South Korean relations have been developing well, evidenced by the frequent exchange of visits by leaders and senior officials of the two countries and their increasingly active economic cooperation.

"China is satisfied with the development trend," Qiao said.

On the situation on the Korean Peninsula, Qiao stressed the importance of maintaining peace and stability on the peninsula.

So long as both the South and the North persist in solving the issue through peaceful consultation, ways could be found to solve the matter, Qiao said.

Sharing Qiao's view, Yi said the economic development in Asia, North Asia in particular, has been outstanding, so the countries in the region should devote their efforts to the maintenance of peace and usher in a bright future.

#### **Hopes for Korean Peace**

OW1804152695 Beijing XINHUA in English 1438  
GMT 18 Apr 95

[FBIS Transcribed Text] Seoul, April 17 (XINHUA)—China hopes for a long-term peace and stability on the Korean Peninsula and for the ultimate peaceful reunification of the Peninsula, China's top legislator Qiao Shi said here today.

Qiao, Chairman of the National People's Congress (NPC) Standing Committee, made the statement at a banquet in his honor given by Hwang Nak-chu, Speaker of the National Assembly of the Republic of Korea (ROK).

"We sincerely hope that the Korean Peninsula maintain a long-term peace and stability and that both the Democratic People's Republic of Korea (DPRK) and South Korea increase confidence in and live friendly with each other and ultimately realize self-governing and peaceful reunification," Qiao said.

In the current world today featuring complicated and deep changes, the maintaining of peace, the promotion

of development and the pioneering of a new future have been the irresistible historical trend, Qiao said.

Qiao described the Sino-ROK relations as having achieved noticeable progress over the two years since they forged the diplomatic ties in 1992 despite a status quo isolation from each other for dozens of years.

The formal contacts between the two parliaments since, particularly the exchange of visits by leaders of the NPC and the National Assembly have enhanced their mutual understanding and brought closer the links between the two parliaments, Qiao said.

The consolidation and the development of the Sino-ROK good neighborly relations conform to the interest of both countries and will be conducive to the peace and stability of the Asian region, Qiao stressed.

He hoped that two countries take the advantage of the favorable conditions to expand economic cooperation so as to help usher in a new phase in the bilateral economic relations.

Sharing Qiao's view, the ROK speaker stressed the importance of strengthening the contacts between the two parliaments. The bilateral exchanges and cooperation particularly in the economic field would be important not only to the prosperity of northeast Asia but also to the whole Asia-Pacific region, he said.

The speaker praised the role of the Chinese NPC and its Chairman in the country's political, economic and social progress thanks to the reform and the opening to the outside world policies.

#### Discusses Sino-ROK Ties

OW1804152995 Beijing XINHUA in English 1438  
GMT 18 Apr 95

[FBIS Transcribed Text] Seoul, April 18 (XINHUA)—Visiting Chinese top legislator Qiao Shi today mapped out the principles on Sino-South Korean economic and trade relations as "mutual benefit, supplementing economic advantages, sincere cooperation and common development."

Qiao, Chairman of the Standing Committee of the National People's Congress (NPC) of China, made the principles known in his speech at a dinner hosted in his honor by Chey Jong-hyon, Chairman of the Federation of Korean Industries, here tonight.

Sino-South Korea relations have developed steadily in all fields, particularly in economic and trade cooperation, since the two countries established diplomatic ties in August 1992, Qiao said. Their trade volume amounted to 11.72 billion U.S. dollars last year, he added.

China is now the third largest trade partner of South Korea, while South Korea has become the sixth largest trade partner of China.

The further enhancement of economic and trade cooperation between China and South Korea has a broad prospect as far as the economic development trend of their economies is concerned, Qiao pointed out.

With the encouragement of the two governments, the China-South Korea industrial cooperation has kicked off a good start, he said. This, he noted, is not only a cooperative style of sharing interests and losses but also a beneficial experimental move of strengthening cooperation between countries with different economic conditions.

Qiao expressed the hope that this cooperation will score great successes through sound efforts by relevant enterprises of China and South Korea, thus contributing to the common economic prosperity and long-term development of the two countries.

In his speech, Qiao also briefed the participants on China's economic achievements due to the policies of reform and opening up, the current economic situation in the country and its ongoing efforts to establish an initial socialist market economy system by the end of the century.

The Chinese NPC chairman arrived here on Monday for a six-day official visit at the invitation of South Korea's National Assembly Speaker Hwang Nak-chu.

#### On Safeguarding Stability

OW1804153295 Beijing XINHUA in English 1442  
GMT 18 Apr 95

[FBIS Transcribed Text] Seoul, April 18 (XINHUA)—Qiao Shi, Chairman of the Standing Committee of the Chinese National People's Congress, said today that the maintenance of peace and stability on the Korean Peninsula is the basic principle of China in handling the affairs in the region.

Qiao made the statement tonight at a dinner hosted in his honor by Chey Jong-hyon, Chairman of the Federation of Korean Industries.

The people of both the South and the North on the Korean Peninsula have endured sufferings of national division for the past half a century and longed for the realization of their national reunification, Qiao said.

"We support all positive positions and proposals put forward by the South and the North of the Korean Peninsula to ease tensions in the region," he declared.

Qiao said China hopes that both sides on the Korean Peninsula devote unremitting efforts to resolve their existing problems through patient and sincere dialogue and consultations. "We are willing to see that the South and the North will abandon their enmity and increase trust in each other so as to achieve the peaceful national reunification independently," he said.

Qiao said that this year is not only the 50th anniversary of the victory of the world's Anti-Fascist War but also

the 50th anniversary of the victory of China's War of Resistance Against Japan and the liberation of the Korean Peninsula from the colonial rule.

The people of China and the people of both the South and North on the Korean Peninsula were all victims of the fascist calamity, he said, adding that "we should guard against all wording and action to prettify invasion and distort history with a view to preventing the reoccurrence of the historical tragedy."

The Chinese people are willing to go forward together with the people of all countries in the world including the people of South Korea to bring a peaceful, equal, stable and prosperous world into the 21st century, Qiao added.

Qiao arrived here on Monday for a six-day official goodwill visit at the invitation of South Korea's National Assembly Speaker Hwang Nak-chu.

### Southeast Asia & Pacific

#### Further Reportage on PLA Chief's Asian Trip

##### Visits Lao President

*BK1804155595 Beijing China Radio International in Lao 1230 GMT 18 Apr 95*

[FBIS Translated Text] Nouhak Phoumsavan, president of the Lao People's Democratic Republic [LPDR], warmly received General Zhang Wannian, member of the Central Military Commission and chief of staff of the Chinese People's Liberation Army [PLA], and his delegation on 16 April at the Presidential Palace.

During the meeting, Nouhak said: The successful visit to the LPDR clearly shows that the friendship and cooperation between the two parties, states, and armies continues to expand and develop. Gen. Zhang Wannian noted that the Chinese people and Army will always continue to broaden traditional relations with the Lao people and army.

Gen. Zhang Wannian arrived in Vientiane on 13 April to pay a friendship visit to Laos. During the visit, he held talks with Lieutenant General Ai Souli-gnaseng, chief of the General Staff Department of the Lao People's Army. Lt. Gen. Choummali Sai-gnason, Lao defense minister, also held a reception to welcome Gen. Zhang Wannian and his delegation.

Gen. Zhang Wannian and the PLA delegation departed for Vietnam on 16 April.

##### Meets With SRV's Premier

*SK1904013395 Beijing XINHUA Domestic Service in Chinese 2158 GMT 17 Apr 95*

[By reporter Ling Dequan (0407 1795 2938): "Zhang Wannian Meets Vietnamese Prime Minister and National Defense Minister"]

[FBIS Translated Text] Hanoi, 17 Apr (XINHUA)—On the afternoon of 17 April, Vietnamese Prime Minister Vo Van Kiet and Vietnamese National Defense Minister Duan Kui respectively met with General Zhang Wannian, member of the Central Military Commission of the PRC and chief of the General Staff of the Chinese People's Liberation Army, and his party.

Vo Van Kiet and Doan Khue warmly welcomed Zhang Wannian and also wished ceaseless development of the friendship between Vietnam and China and between the armies of the two countries.

Zhang Wannian said that the Chinese people and the Chinese army have cherished the traditional friendship with the people and army of Vietnam, and that he hoped to enhance mutual understanding, deepen friendship, and further develop the relationship between the two armies during this visit.

On the morning of 17 April, Zhang Wannian held a talk with Dao Dinh Luyen, chief of the General Staff of the Vietnam People's Army. Both sides exchanged opinions on the building of their armies, the international and regional situations, and contacts and cooperation between the two armies.

Zhang Wannian said during the talk: China is a firm force safeguarding regional and world peace and stability and will not threaten countries. China is willing to make unwavering efforts together with its people as well as the peoples of all foreign countries to set up a new international political and economic order characterized by peace, stability, justice, and rationality; to safeguard the regional and world peace; and to promote common economic development.

Dao Dinh Luyen said during the talk: Vietnam is very pleased to see China's achievements and maintains that this is conducive to consolidating the regional and world peace. Consolidating and strengthening the traditional friendship between Vietnam and China and between the armies of the two countries under the current situation is extremely significant.

Zhang Qing, Chinese Ambassador to Vietnam; and Li Delin, military officer of the Chinese Embassy in Vietnam, attended the meeting and the talk.

General Zhang Wannian and his party will conclude their visits in Vietnam on 21 April and then pay a goodwill visit to Indonesia.

### Near East & South Asia

#### Beijing, Tel Aviv Sign Memorandum on Cooperation

##### Exchanges To Be Conducted

*OW1704145495 Beijing XINHUA in English 1433 GMT 17 Apr 95*

[FBIS Transcribed Text] Beijing, April 17 (XINHUA)—A memorandum of friendly co-operation and exchanges

between this capital of China and Tel Aviv, capital of Israel, was signed here today.

According to the memorandum, the two cities will conduct exchanges and co-operation in economy, trade, science and technology, agriculture, culture, education and municipal construction, on the basis of friendship, equality and mutual benefit.

This year and next the two cities will actively help each other with setting up links between enterprises and promote exchanges and co-operation in economy and trade, science and technology, and agriculture.

Beijing will assist Tel Aviv to hold a trade and tourism fair here this July. The two cities will also sponsor youth exchanges.

#### Great Benefits Expected

TA1804134495 Tel Aviv YEDI'OT AHARONOT in Hebrew 18 Apr 95 p 11

[Report by Tamar Trabelsi-Hadad]

[FBIS Translated Text] In Beijing yesterday, Tel Aviv Mayor Roni Milo proudly asserted that, "although Tel Aviv had only 400,000 residents, another million commuters entered the city every day. Therefore," Milo explained, "together with Beijing, we are talking about approximately 16.5 million people." Milo was speaking at a ceremony marking the signing of a twin city agreement between Beijing and Tel Aviv with the participation of his Chinese counterpart Li Qiyan.

The ceremony was held at the People's Congress Hall. Milo arrived in Beijing with a delegation of two Israeli businessmen. The municipal agreement, signed in the presence of Israeli Ambassador Moshe Ben-Ya'akov, calls for cooperation in the fields of economics, science, technology, tourism, agriculture, and health (through Tel Aviv's Ichilov Hospital).

Milo recounted that his Chinese colleague had accepted an invitation to visit Tel Aviv this year. Milo said that the agreement would lead to reciprocal visits over the "next few months." There will be exchanges of youth and health teams as well as an economic symposium. Milo said that China has "tremendous potential and both cities can benefit greatly from this." Summing things up, Milo said, "The ceremony was very moving and we met with a very warm reception."

#### CPC Delegation Leaves for Mauritania, Libya

OW1904045895 Beijing XINHUA in English 0156  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—A delegation from the Communist Party of China (CPC) led by Li Chengren, deputy head of the International Liaison Department of the CPC Central Committee, left here today on a good-will visit to Mauritania and Libya.

The delegation has been invited by the Democratic and Social Republican Party of Mauritania and the General People's Congress of Libya.

#### Further on Nepalese Prime Minister's PRC Visit

##### Discusses Ties With Li Peng

CW1804083595 Beijing XINHUA in English 0823  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—Chinese Premier Li Peng and Nepalese Prime Minister Man Mohan Adhikari held talks here today, with both of them expressing the hope that the two countries' ties can reach a new height.

Li said that China and Nepal are close neighbors and have a profound and long-standing friendship, adding that there are no unresolved problems between the two countries.

China and Nepal have always respected and supported each other, and that Sino-Nepalese relations have become a model of state-to-state relations, Li said.

The Chinese premier noted that his country pursues a good-neighborly policy and attaches importance to its relations with Nepal.

Li also expressed appreciation for Nepal's domestic policy of developing its economy, improving the people's standard of living, and maintaining social stability, as well as its foreign policy of developing friendly relations with all countries, particularly South Asian nations.

Adhikari said Nepalese-Chinese relations have been growing smoothly and Nepal is grateful to China for its support and assistance over the past many years.

The prime minister said to develop Nepalese-Chinese relations is a consistent policy of his government.

Adhikari reiterated the position that Taiwan is an inseparable part of Chinese territory and that the government of the People's Republic is the sole legal government representing China, and that Tibet is an autonomous region in China, and that Nepal opposes any anti-Chinese or separatist activities on Nepalese territory.

Li appreciated the Nepalese Government's position on the issues of Taiwan and Tibet.

Adhikari also said that Nepal hopes to further develop economic and trade ties with China by opening joint or cooperative ventures. Li approved of the suggestion and said he hopes that departments of the two countries will study the possibility of expanding bilateral cooperation.

During a meeting earlier in the day, Li briefed Adhikari on China's developments and reforms which are guided by Deng Xiaoping's theories of building socialism with Chinese characteristics.

Adhikari invited Li to visit Nepal again, and Li accepted the invitation.

Prior to the talks, Li presided over a ceremony in the Great Hall of the People to welcome Adhikari and his party, who arrived here Monday.

After the talks, Li and Adhikari attended a ceremony for signing several documents of agreements between China and Nepal.

The agreements include economic and technological cooperation, the maintenance of Nepal's Pokhara-Baglung Highway, China providing equipment to a cancer hospital, and China providing 10 trolley buses, as well as the minutes of a meeting of a joint committee on the economy and trade.

Later, Li hosted a banquet in honor of Adhikari and his party.

#### Promotes Bilateral Ties

OW1804143195 Beijing XINHUA in English 1315  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—Chinese President Jiang Zemin met with visiting Nepalese Prime Minister Man Mohan Adhikari here today.

The two leaders wished Sino-Nepalese friendly relations new progress on the existing basis.

Jiang called Adhikari an old friend of the Chinese people who has made positive contributions to strengthening and developing the traditional friendship between the two countries.

Jiang said that the current visit, Adhikari's first to China since he became prime minister of the new Nepalese government, would further increase mutual understanding and friendship between the two peoples and further promote bilateral ties.

Adhikari said that Nepalese-Chinese relations are based on mutual respect and mutual support, and such relations can be a model of relations between a big and a small country.

He added that to develop relations with China is the common aspiration of all political parties and people in Nepal.

Adhikari briefed Jiang on Nepal's domestic and foreign policy. He restated his country's "one China" stand and the position of opposing anti-Chinese or separatist activities on Nepalese territory. Jiang thanked Nepal for these positions.

Jiang also thanked the Nepalese government for its support for China on the human rights issue.

Adhikari expressed admiration for China's achievements in implementing the policies of reform and opening to the outside world. He said Nepal attaches importance to relations with China and is willing to further develop friendly relations with China, particularly in the areas of economic co-operation and trade.

Jiang noted that China takes a positive attitude in developing economic and trade ties with Nepal, and is ready to expand such relations by seeking out new forms of co-operation.

During the meeting, Adhikari delivered a letter from King Birendra Bir Bikram Shah Dev of Nepal to Jiang and an invitation from the king for Jiang to visit Nepal. Jiang accepted the invitation.

#### Meets CPPCC Chairman

OW1904045795 Beijing XINHUA in English 0327  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—Li Ruihuan, chairman of the Chinese People's Political Consultative Conference (CPPCC) National Committee, met with visiting Nepalese Prime Minister Man Mohan Adhikari here today.

Li, who visited Nepal in 1993, said China and Nepal are close neighbors and have a long history of friendly contact. He expressed satisfaction over Sino-Nepalese relations, which he described as "very good for many years."

Li added that the CPPCC is willing to maintain contacts and exchanges with the Nepalese Congress so as to further promote the development of bilateral ties.

The CPPCC chairman expressed appreciation over the efforts of the new Nepalese Government to develop the economy, improve the livelihood of the people and to strive for a clean government while actively developing friendly relations with other countries.

Li hoped that the new government of Nepal, led by Adhikari, would overcome difficulties, make new achievements and bring benefit and happiness to the Nepalese people.

Adhikari said there are good relations between his country and China in many aspects and there are no problems between the two sides. He added that the two countries share views on many international issues.

The prime minister restated that Nepal has always supported the Chinese government's position on the issues concerning Taiwan, Tibet and human rights. Li thanked the Nepal side for the position.

Adhikari said that he had witnessed political stability and economic development in China during his current visit. He added that China's experiences can be useful to Nepal too.

Adhikari and his party are scheduled to leave here later today for Shanghai.

#### Sub-Saharan Africa

PRC, Zaire Sign Agricultural Agreement

OW1204110395 Beijing XINHUA Domestic Service in Chinese 0204 GMT 7 Apr 95

[FBIS Translated Text] Kinshasa, 6 Apr (XINHUA)—Zhou Xianjue, Chinese ambassador to Zaire, and

Mozagba Ngbuka, Zairian deputy prime minister, signed a Zairian-Chinese agricultural techniques cooperation agreement here today.

According to the agreement, China will dispatch agricultural technicians to Zaire to teach rice, vegetable and pineapple cultivation techniques to local farmers.

#### 15th Anniversary of Sino-Zimbabwe Ties Marked

OW1904065995 Beijing XINHUA in English 0638  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—The Chinese People's Association for Friendship with Foreign Countries (CPAFFC) and the Chinese-African People's Friendship Association held a reception here today to mark the 15th anniversary of the forging of diplomatic ties between China and Zimbabwe.

President of the CPAFFC Qi Huaiyuan and Zimbabwean ambassador to China Boniface G. Chidyausiku were among those present at the reception.

#### West Europe

##### EC's Brittan Views PRC's WTO Membership

HK1904105195 Hong Kong AFP in English 1030 GMT  
19 Apr 95

[By Gilles Campion]

[FBIS Transcribed Excerpt] Beijing, April 19 (AFP)—The European Union supports China's application to join the World Trade Organisation (WTO), European Commission Vice President Leon Brittan said here Wednesday. [passage omitted]

China's desire to join the WTO—the successor to the General Agreement on Tariffs and Trade, or GATT—is a principal subject of Brittan's visit here.

In an effort to open Chinese markets, the United States has said China should be considered a developed country for membership in WTO, while China contends it is a developing country. WTO requirements for open markets in developed countries are much stricter than those imposed on developing countries.

Brittan said the argument was "unhelpful and abstract" and added, "China is developing and is in a state of transition." Because of this, Brittan indicated the WTO could not ask China to immediately reduce import taxes to match those of developed nations. "What China cannot do at the beginning should be phased out on a period of time," he said. "The WTO is, however, a rules-based organization, so that membership can only be secured if there is an equally strong political commitment from the Chinese side to implement and respect WTO rules," he said. "I hope that China will join its partners in further talks soon," he said, referring to the first informal meeting of the WTO which will be held in Geneva in May.

On the intellectual property (IP) issue, Chinese authorities officially confirmed that benefits accorded the United States under the February US-China agreement would also be applied to the EU, Brittan said. The confirmation was contained in a letter to Brittan by Wu Yi, China's foreign trade minister, and reaffirmed by deputy prime minister Zhu Rongji during a meeting with Brittan on Tuesday.

"The European Commission is prepared to increase significantly the level of technical assistance provided to our Chinese colleagues, including assistance for personnel training and documentation in the IP field," Brittan said.

Asked about bilateral relations between China and the EU, Brittan said "the time has come for a fresh start in relations between Europe and China." He said he would propose "a major strategy paper on China" at the next meeting of the European Commission, the executive body of the EU. He also criticized what he called an "imbalance" in the treatment given US businesses by China and the way Beijing treats European companies. "When we look at the number of Airbus and the number of Boeing (aircraft), we find that there is an imbalance," he said. "We press for that to be rectified."

#### More on EU Support

HK1904102695 Hong Kong AFP in English 0932 GMT  
19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (AFP)—The European Union supports China's application to join the World Trade Organisation (WTO), European Commission Vice President Leon Brittan said here Wednesday. "We have taken the political decision that there should be Chinese membership in WTO," he said at news conference here. During a meeting with journalists, he said China's bid to join the WTO—successor to the General Agreement on Tariffs and Trade (GATT)—was only "a question of pace and of time."

Brittan, who arrived in Beijing Tuesday for a six-day China visit, also said that the intellectual property accord between the United States and China will also apply to countries of the European Union (EU). "The Chinese authorities have now officially made it clear that all benefits to US individuals and entities under the February 1995 US-China agreement apply to EU individuals and entities on the same basis," he said. The accord would protect the rights of creators of audio, video and computer software products and give them greater access to Chinese markets.

#### Zhu Rongji 'Devoted' To Improving EU Ties

HK1904090795 Beijing CHINA DAILY in English  
19 Apr 95 p 1

[By Wang Yong: "EU Seeking to Improve Relationship with China"]

[FBIS Transcribed Text] The European Union is committed to a better relationship with China, a senior EU official said in Beijing yesterday.

"I'm personally devoted to improving our bilateral relations," visiting European Commission Vice-President Sir Leon Brittan said in a meeting with Chinese Vice-Premier Zhu Rongji.

Relations between China and the west European community were inaugurated 20 years ago when Brittan's predecessor, Christopher Soames, visited Beijing.

Brittan's visit comes at what EU officials called a potentially decisive moment for China's access to the World Trade Organization (WTO)—ahead of the first informal multilateral contacts in Geneva, likely to be held later this year.

"The European political will to see China a WTO member is as strong as ever," Brittan told Zhu.

In a news release before the meeting, Brittan said the time has come for a fresh start in relations between Europe and China.

"I intend to propose shortly to the (European) Commission a major strategy paper on China. In a country as vast as China, Europe must operate in a carefully co-ordinated manner if we are to make our voice heard."

Brittan said the EU will continue to support China's economic reforms and help reinforce the reforms by bringing China into the WTO.

Zhu told Brittan that China is sincere about developing a better relationship with the EU.

"I hope your visit will promote mutual understanding."

The week-long visit will take Brittan to two of China's booming inland provinces—Sichuan and Hubei.

"The European presence so far in inland China is small, but the potential is great," Brittan said.

#### **Wu Yi, Spanish Trade Minister Sign Memorandum**

OW1804024495 Beijing XINHUA in English 0232  
GMT 18 Apr 95

[FBIS Transcribed Text] Madrid, April 17 (XINHUA)—China and Spain signed here today a series of documents on economic cooperation in an effort to strengthen bilateral economic relations.

Spain's Trade and Tourism Minister Javier Gomez Navarro and visiting Chinese Foreign Trade and Economic Cooperation Minister Wu Yi penned today a memorandum on bilateral financial cooperation in the 1995-1996 period.

Under the memorandum, the Spanish government will offer China a 184-million-U.S.-dollar loan over the two years and this is the fifth of its kind since 1985.

At the signing ceremony, the two sides also signed three other accords on inter-governmental loans while businessmen of the two countries inked four contracts on cooperation in the fields of machinery and chemicals.

During talks held before the ceremony, Gomez and Wu, who arrived here on Friday [14 April], expressed satisfaction over the development of the trade and economic relations between the two countries.

The two ministers also exchanged views on problems in their countries' economic and trade relations and explored ways to solve them.

Spain is the first leg of Wu's Europe tour which will also take her to Portugal, Ireland, Greece and Switzerland.

#### **China, Spain To Strengthen Economic Relations**

OW1904043595 Beijing XINHUA in English 0319  
GMT 19 Apr 95

[FBIS Transcribed Text] Madrid, April 18 (XINHUA)—Chinese and Spanish Trade Ministers today promised to make joint efforts to expand the economic and trade exchanges between their countries.

The promise was made by visiting Chinese Minister of Foreign Trade and Economic Cooperation Wu Yi and Spanish Trade and Tourism Minister Javier Gomez Navarro.

Wu arrived here on Friday [14 April] as the head of a trade delegation of 150 Chinese business people. Apart from attending a seminar on Sino-Spanish trade and economic relations, the Chinese side is expected to hold business talks with Spanish counterparts over 400 projects.

Spain is the first leg of Wu's Europe tour, which will also take her to Portugal, Ireland, Greece and Switzerland.

Addressing the seminar here today, Wu expressed satisfaction over the Sino-Spanish trade relations in recent years, noting that China's trade with Spain in 1994 totaled 1.65 billion U.S. dollars, 64 percent higher over 1993.

Specifically, she said, China's imports from Spain during the year rose 90 percent to over 900 million U.S. dollars, while its exports to Spain were up 40 percent to 750 million U.S. dollars.

Wu noted that this growth is the fastest among China's European trade partners. She said King Juan Carlos' China visit earlier this year would give fresh impetus to the expansion of economic ties between the two countries.

Spanish minister Gomez said that as China's economy is growing rapidly and will soon become a major world player, there is great potential for the expansion of Spanish-Chinese relations.

He urged the Spanish business community to increase their investments in China by taking advantage of the favorable conditions there such as cheap labor and low production costs.

**Qian Qichen Meets British Foreign Secretary**  
OW1904001895 Beijing XINHUA in English 2312  
GMT 18 Apr 95

[FBIS Transcribed Text] United Nations, April 18 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen met with British Foreign Secretary Douglas Hurd in New York today.

The two sides exchanged views on bilateral relations, the Hong Kong issue and regional and international issues of common concern in a frank and pragmatic atmosphere.

Qian said, the Sino-British relations have made some progress since they met last September. "We hope this meeting will promote mutual understanding and reduce troubles in the bilateral relations," he said.

Qian expressed appreciation for Hurd's words that China and Britain should build up a deeper and realistic partnership relations for the 21st century and hope that the British side will make real effort for this.

As both China and Britain are countries with important impact on international affairs and permanent members of the Security Council of the United Nations, the Sino-British relations are important when the international situation is unstable at present. "We attach great importance to Sino-British relations," he said.

Generally, the bilateral relations have made some progress in some fields, Qian said.

Bilateral trade developed in the past year as the bilateral trade value increased steadily. China has not changed its position on encouraging British firms to develop and compete in China. "The bilateral trade would have made greater progress without some problems cropping up in the bilateral relations," Qian said.

Hurd expressed his consent with the Chinese side on improved bilateral relations since last year. Britain and China have common interest in international affairs and should have cooperated more closely, he said.

British policy toward China is aimed at enabling the bilateral relations to improve year by year. China's success in reform and opening to the outside world is also in the British interest, Hurd said.

The British side expressed gratitude to China for the welcome and hospitality towards the two former British prime ministers who visited China recently. British Secretary of State for Trade and Industry Michael Heseltine will visit China soon with a large entourage of British entrepreneurs. Hurd said he believes that the visit will promote the bilateral cooperation.

On the Hong Kong issue, both foreign ministers agreed that the bilateral cooperation on the Hong Kong issue is in the interest of China, in the interest of Hong Kong as well as in the realistic and long-term interest of Britain.

Qian said that the two sides have achieved some progress in cooperation on the Hong Kong issue since they met in New York last September. China welcomes the willingness and actions for cooperation from the British side.

There are only two years or more for China to restore its sovereignty over Hong Kong. The most important issue for the two sides at present is to enhance mutual trust, remove obstruction on transfer of the power over Hong Kong and cooperate closely. As the transfer of the power over Hong Kong is the transfer between the Chinese and British governments, any attempt to impose a unilateral opinion or action on the future government of the Hong Kong Special Administrative Region will be harmful and impassable, he said.

He pointed out that Hong Kong will exercise highly autonomic [as received] power after 1997, which has been stipulated and guaranteed by the Hong Kong Basic Law. China has not changed its position on this question. Hong Kong compatriots have also expressed their confidence in this, Qian added.

Hurd said it is beyond doubt that the sovereignty over Hong Kong will be transferred to China in time. The British side has confidence in strengthening cooperation with the Chinese side on this question. He expressed the hope the two sides will make common efforts to remove the existing disputes.

The two foreign ministers also exchanged views on the Sino-British Joint Liaison Group, the establishment of court of last instance, the budget during the transition period.

**Political & Social****Politburo Set To Revamp Central, Beijing Leadership**

HK1804135095 Hong Kong *LIEN HO PAO* in Chinese  
18 Apr 95 p 1

[“Special dispatch” from Beijing by *LIEN HO PAO* Mainland News Center: “CPC Political Bureau Convenes at the End of This Month To Discuss Beijing Leadership Reshuffles”]

[FBIS Translated Text] An informed source has revealed that the CPC Central Committee Political Bureau will meet in a few days. The source says the meeting will discuss the recent spate of serious economic crimes in the mainland, but primarily will discuss and decide on personnel changes among central officials, and on reshuffles in the leadership of Beijing Municipality.

The informed source said that immediately following a spate of economic crimes involving government officials, the CPC Central Committee had wanted to call a Political Bureau meeting but had decided to postpone it until the 23 April return of Qiao Shi, Political Bureau Standing Committee member, from an official trip.

It has been learned that the meeting will focus on reshuffling the Beijing Municipal leadership and on picking candidates for new leaders. As Beijing is the home for the central authorities, its government and party leaders are closely related with the central authorities, so the reshuffle of the municipal leadership must be pursued with caution.

The Political Bureau meeting also will review the candidates for public security minister.

**‘Factional Intrigue’ at Leadership Level Viewed**

HK1904073395 Hong Kong *SOUTH CHINA MORNING POST* in English 19 Apr 95 p 17

[Article by Willy Wo-Lap Lam: “Cutting to the Core”]

[FBIS Transcribed Text] Let a hundred plots thicken. Factional intrigue and contention have become so ferocious a Beijing observer might think that “inner-party democracy” has finally arrived, if only through the back door. As is true with other watershed periods in Communist-Chinese history, the first salvos of post-Deng Xiaoping politics manifest themselves in a bundle of contradictions and a clash of symbols.

President Jiang Zemin and Beijing party boss Chen Xitong, who have been at each other’s throats since 1989, wielded picks and shovels together at a tree-planting ceremony in the capital earlier this month. “Immortal” Chen Yun was buried on Monday [17 April] alongside central planner Li Xiannian, a former president, at the Babaoshan cemetery for veteran proletarians.

Newly installed Vice-Premier Wu Bangguo, whose brief is modernising state enterprises, began a tour of Hubei province last week by playing up his “revolutionary” credentials. He inspected the site of the Huangma Uprising against the Kuomintang and paid homage to Li’s ancestral home. At a just-ended tour of Jiangxi province, conservative elder Song Ping surprised local cadres by singing the praises of the contract family responsibility system, the brainchild by radical reformers under Mr Deng.

So much energy of the top cadres is consumed with skullduggery and back-stabbing—or watching the spectacles unfold—one wonders how much time is left for policy-making.

A senior Western diplomat was barely exaggerating when he said last week that business in the capital had ground to a near halt because nobody was sure what would happen next to the municipal leadership after the supposed suicide of vice-mayor Wang Baosen. For the moment, however, party chief Mr Chen, a burly ex-policeman with savvy who many claim is at least “morally responsible” for the spate of corruption in the capital, is thumbing his nose at Mr Jiang.

Bad blood between the two has flowed since the former Shanghai party boss’ unexpected promotion to general secretary in June 1989. Mr Chen refused to accord Mr Jiang even the status of first among equals. He snubbed Mr Jiang’s protege, Vice-Premier Wu, when the latter was transferred from Shanghai to Beijing last September.

In a recent speech that has been characterised as “death-defying”, Mr Chen challenged his detractors by vowing that the anti-corruption campaign in his city be “waged until the very end”. In spite of his failure to remove Mr Chen, Mr Jiang is thought to have benefitted from the power vacuum created by the death of elder Chen and the incapacitation of Mr Deng.

If confirmed, the reported transfer of Chen Yun’s son, vice-governor of the People’s Bank Chen Yuan, to the governorship of Qinghai, a Siberia-like province, would serve the same purpose as the detention of Shougang Corp executive Zhou Beifang, a protege of the Deng clan: to dramatise Mr Jiang’s fast-rising clout.

At the same time, however, Jiang and his cohorts are obliged to mollify a powerful conservative bloc: central planners and state entrepreneurs who had worked under Chen Yun and the late president Li Xiannian. Mr Wu’s strategy for “reinvigorating” government-owned concerns is not, as shock therapists would recommend, to foreclose or privatise the money-losing dinosaurs. He has instead vowed to pump more funds into “enterprises which can repay the debts”.

Similarly, economic tsar Zhu Rongji, who has reluctantly tied himself to Mr Jiang’s chariot, has espoused puzzlingly conservative themes since the spring. While touring Shanghai and Pudong last week, the executive

vice-premier shocked on-lookers by dwelling on the need to "strengthen the construction of spiritual civilisation" and monitoring the go-go city's "ideological progress". In internal speeches, Mr Zhu has defended his re-centralisation policies by saying: "Do not be afraid of criticism that we have retrogressed do not be afraid of being accused of re-introducing central planning."

The party's liberal and moderate wings, led by National People's Congress Chairman Qiao Shi and his deputy Tian Jiyun, have mounted a dazzling blitz to reclaim the limelight. Immediately after the March NPC plenum, where two Jiang nominees for the positions of vice-premier suffered humiliation, Mr Qiao and Mr Tian took the crusade to boost the legislature's "supervisory powers" to the regions.

While touring Fujian province, Mr Qiao backed no-holds-barred reform, pointing out that officials and entrepreneurs alike should "not be afraid to take risks". It was the fourth time in six months that the NPC chief called for liberalisation. Mr Qiao was seconded by economist Tong Dalin, an adviser of ousted party chief Zhao Ziyang. Professor Tong told a group of Guangzhou cadres that "unless we forge ahead with reform, there will be a backlash".

While inspecting Shenzhen last week, Mr Tian, another disciple of Mr Zhao, publicly ridiculed Chen Yun's pet theory about "taking grain as the key link". The former vice-premier lent his authority to Guangdong's gung ho cadres by implying that it was unreasonable for Beijing to pursue Maoist autarchy by forbidding the province to import foodstuffs. And while Mr Zhu and his State Council colleagues were busily recollectivising agriculture, Mr Tian made a spirited defence of the family plot-based contract responsibility system. Another political heavy weight from the moderate wing, former president Yang Shangkun, had wooed Guangdong party cadres during a secretive trip to Shenzhen earlier in the year.

That the liberal factions might be clawing back lost territory is evident from the support they had gained from individual conservative politicians. Politburo member Li Tieying, who supported the Tiananmen Square massacre, made waves when he told officials in Hubei to "further liberate their thought and quicken the pace of reform". Using Deng-style language that has not appeared in the official media for a year, Mr Li indicated that "bold explorations must be made to seize the day".

Even more intriguing are the activities of retired member of the Politburo Standing Committee, Song Ping, a conservative elder who is seen as Mr Jiang's competitor. The official press reported yesterday that during a 14-day tour of Jiangxi this month, Mr Song "highly appraised the great achievements the province has made in the past decade in consolidating and promoting the family-responsibility contract system".

While inspecting central China in the same period, Mr Song's protege and successor as organisation chief, Hu

Jintao, talked about the importance of "training outstanding young people and recruiting them into the party". Mr Jiang can only hope that the "outstanding young people" Mr Hu picked to succeed Mr Chen and his colleagues in Beijing would be to his liking.

Some diplomats in Beijing, however, believe that Mr Jiang's foes from across the political spectrum are forming strategic alliances to dump the putative "core" of the third-generation leadership.

#### **Beijing To Tighten Management of Transient Population**

OW1904045995 Beijing XINHUA in English 0113  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—Beginning July 15 this year, all units and individuals in the nation's capital must get permits from designated job introduction organizations if they want to hire people from outside Beijing.

This is included in the "Beijing Municipal Regulations on Management of Transient People Seeking Jobs in Beijing", which was adopted at the 16th session of the Standing Committee of the 10th Beijing Municipal People's Congress, held last week.

The move is considered to be one of the important measures to tighten the management of transients in Beijing.

The regulations will become effective July 15 this year. A recent survey showed that transient people numbered 3.295 million. About 70 percent of them were in Beijing for employment or trading. The remaining 30 percent were here on private visits, business trips or for sightseeing purposes.

The newly-adopted regulations forbid all units or individuals from privately hiring job seekers from outside Beijing. They are expected to obtain the necessary temporary dwelling and employment permits for transient people they wish to employ. This will be overseen by the municipal departments of industry, commerce, taxation, public security and labor.

The regulations, which consist of six chapters and 36 clauses, also list services and protection that migratory workers should perform and enjoy in Beijing, levying of fees for management services, and legal responsibilities in case of violation of the regulations.

According to officials at the Municipal People's Congress, Beijing also plans to work out 12 auxiliary regulations, involving management of household registration, houses for rent, farmers' markets and birth control among the transient population in Beijing.

#### **University Fees To Be Reduced for Poor Students**

HK1804152595 Beijing ZHONGGUO XINWEN SHE  
in English 1337 GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (CNS)—China will remit tuition fees and incidentals for poor

college and university students starting September 1 so as to prevent any poor students from discontinuing their studies owing to economic difficulties, said the State Education Commission.

The Commission has issued a notification recently, stipulating precisely the reduction of fees and incidentals for poor college and university students.

The notification demanded that colleges and universities at all districts should highly concern and seriously carry out the policy of fee and incidentals remission. They should draft their own methods to implement the remission based on state stipulation and the actual situation of the schools.

The notification emphasized that all colleges and universities have the right to conduct sample survey on economic conditions of students enjoying the remission. Any dishonest students will have to pay back all the reduced fees and will face disciplinary measures according to circumstances.

As shown in a sample survey on 37 schools conducted by relevant department, poor students accounted for 30 percent to 20 percent among all college and university students, with five percent to 10 percent of them coming from extra poverty-stricken families.

#### Archaeological Sites Prove Habitation in Paracels

HK1804123395 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1105 GMT 16 Apr 95

[Report: "Former Residential Sites Dating Back to Ming and Qing Dynasties Found on Xisha Islands"—ZHONGGUO TONGXUN SHE headline]

[FBIS Translated Text] Beijing, 16 Apr (ZHONGGUO TONGXUN SHE)—Prof. Wang Hengjie, an archaeologist from the Central University of Nationalities who has just returned from the Xisha [Paracel] Archipelago after archaeological field work there, said that during his field work on North Island he had discovered a series of former residential sites dating back to at least the Ming and Qing dynasties. He said these former residential sites inhabited by ancient Chinese are relatively complete and complex ones as compared with other sites discovered so far on the Xisha and Nansha [Spratly] Archipelagoes.

Prof. Wang said: Two of these former residential sites are relatively complete, with the remains of two connected stoves still distinguishable. Buried beneath the sand are remnants of charcoal, animal bones left by the former residents after meals, piles of shell fragments, and traces of drainage ditches. Most of these former residential sites have their front doors facing southward, which was a way to take in southerly winds and block northeasterly. All the residential sites were built in the form of wind and rain shelters [feng yu peng 7364 7183 2766]. Prof. Wang noted: Similar sites have been found in the past on Ganquan Island in the Xisha Archipelago and on

Taiping Island in the Nansha Archipelago. Neither of them however are so clearly distinguishable and complete as these recently discovered residential sites.

#### Beijing Promulgates Mother-Infant Protection Rules

OW1904082295 Beijing XINHUA in English 0753  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—The legislative body of Beijing has promulgated regulations protecting mothers and infants.

The regulations set norms for premarital physical check-ups, prenatal and pregnancy care, and infant care.

The regulations ban the identifying of the sex of the fetus and encourage breast-feeding.

Beijing has seen marked progress in developing a complete health care system for young mothers and babies, said Zhou Kaifa, deputy director of the Municipal Bureau of Public Health.

The city now has 22 mother and child health centers, two children's hospitals and a number of obstetrics and gynecology hospitals, which are responsible for providing medical care for 2.7 million women of child-bearing age, and 800,200 children under the age of six.

The city has also built 72 baby-friendly hospitals which have won high praise from the UN Children's Fund and the World Health Organization.

As a result, the mortality rate of pregnant and lying-in women has dropped from seven per thousand in the early 1950s to the present 0.19 per thousand, while that of infants has declined from 117.6 per thousand to 10.93 per thousand, approaching the level of developed countries.

#### Efforts To Build Grass-Roots Party Units

OW1804124995 Beijing XINHUA Domestic Service in Chinese 0935 GMT 3 Apr 95

[FBIS Translated Text] Beijing, 3 Apr (XINHUA)—According to the CPC Central Committee Organization Department, the strengthening of the building of rural grass-roots organizations is in full swing as more than 450,000 personnel have been transferred to rural areas to help consolidate party branches that are weak and lax in discipline or are paralyzed. They are conscientiously trying to solve outstanding problems affecting rural reform, development, and stability; and are training basic-level cadres. They are welcomed by peasants.

These personnel are making plans and guiding work according to the "five-goods" objective set by the party Central Committee. They are striving to accomplish the consolidation task by stages in three years in line with the overall requirements for the building of rural grass-roots organizations in the new period. The work's focus is placed on the consolidation and building of party branches that are weak and lax in discipline and those

that are paralyzed. The building of rural grass-roots organizations is to be carried out in an all-around way, with stress on improving the quality of grass-roots organizations as a whole. This is an important characteristic of the current building of rural grass-roots organizations. After reanalyzing less-advanced party branches' conditions, party committees in various localities have made plans for this work according to party Central Committee guidelines. Party committees in Jiangxi, Sichuan, Henan, Hebei, Inner Mongolia, Hunan, Fujian, Guangxi, Tianjin, and other provinces, autonomous regions, and municipalities directly under the central government have all worked out annual and three-year plans in this regard. While paying close attention to building party branches, Yunnan and some other provinces have made plans for the coordinated building of collective economic organizations; Communist Youth League and women's federation branches; and militia, security, and civilian mediation organizations to give full play to the role of these organizations in leading the masses to attain a fairly comfortable living standard. Beijing has mobilized more than 1,000 cadres to go to mountainous areas where they have helped less-advanced villages consolidate themselves, achieving marked results.

In consolidating party branches, party committees in various localities have stressed that it is necessary to follow the mass line; to conscientiously solve outstanding problems affecting local reform, development, and stability; and not to practice formalism or do things perfunctorily. The Guizhou and Jiangxi provincial party committees pointed out that the stress of the work in consolidating less-advanced party branches should be put on building village leading bodies, properly selecting their leaders, and developing the collective economy. Liaoning has paid attention to the role of cities, and 669 state enterprises in the province have established relations with less-advanced villages and helped the latter develop their collective economies with 46 million yuan. After entering Jiafu Village, a work team from Yueyang, Hunan, discovered through investigation that villagers had a lot to complain about the improper handling of the village's financial affairs, the mismanagement of water and electricity, and poor public order. The work team immediately organized village representatives to check on the financial affairs, to work out a plan for improving water and electricity management, and to consolidate public security organizations through mass efforts. Welcomed by the villagers, the work team has quickly brought about a situation favorable to its work.

To improve the quality of basic-level cadres and village leading bodies as a whole, efforts have been made in various localities to train basic-level cadres and Communist Party members as a major task while strengthening the building of grass-roots organizations. Guangdong, Zhejiang, Shanxi, Beijing, and many other provinces and municipalities have made plans for training basic-level cadres. Some of these plans call for issuing a qualification certificate after a cadre has been successfully trained

for three to five years, and they also require party branch secretaries and village committee chairmen to have such a certificate. Guangdong now plans to annually appropriate 5 million [currency not specified] for this purpose for three years. By having them attend party schools and training classes run by advanced villages, Henan had trained 5,500 basic-level cadres by the end of last year; 500 were secretaries of less-advanced party branches. Training is conducted at different levels in Hebei. The province is responsible for training party branch secretaries from villages with an annual output value of 100 million yuan as well as from mountainous, border, poor, and old revolutionary base areas; and prefectures and counties are responsible for training party branch secretaries from general rural areas. Since last October, Ningxia has organized party members and cadres to be trained in the winter, and more than 4,900 classes have been conducted, with over 90 percent of the region's party members and cadres attending the classes.

At the same time, various localities have paid close attention to the peasants' ideological education. The peasants are being educated in patriotism, collectivism, basic knowledge of building socialism with Chinese characteristics, general knowledge of materialism and atheism, scientific knowledge, working hard, and being industrious and thrifty in managing a household. Education in the legal system and in opposing feudalism, superstition, and feudal-clan activities has been conducted in localities with poor public order.

Selecting and sending office cadres to help with village work and implementing the system of party and government organizations assuming responsibility for improving villages' conditions are major reassurances that are being carried out in most parts of the country. Sichuan and Shandong have each sent more than 50,000 office cadres to work in rural areas. Jiangxi, Hunan, and Jiangsu are implementing the system of party and government organizations assuming responsibility for changing the backwardness of villages within a set time. Jiangxi has selected and sent more than 10,000 office cadres to work in rural villages, and they are required to attain the "five-goods" objective; otherwise, they will not be able to return to their original organizations. Sichuan, Yunnan, Zhejiang, Hunan, Shanxi, and Henan have taken measures to strengthen their work teams, producing a very good influence on the masses of peasants.

More than 20 provinces, autonomous regions, and municipalities, including Jilin, Jiangxi, Hunan, Sichuan, Xinjiang, and Shanghai, have set up work leading groups and liaison or coordination meetings to strengthen their leadership over the building of rural grass-roots organizations. Jiangsu, Yunnan, Tianjin, and a number of other provinces, autonomous regions, and municipalities have made it a rule that a provincial party committee standing committee member and a vice governor should establish contact with one to two prefectures or counties and one to two villages to constantly acquaint themselves with the situation there and to guide their

work. The leaders of the Anhui party committee and the responsible persons of relevant departments have acquainted themselves with the conditions of 100 villages of different types and kept contact with them. The Fujian party committee has stressed strengthening leadership, performing responsibilities, sending cadres to rural areas, and implementing various measures. Before the Spring Festival, four groups led by the Sichuan party secretary, deputy secretaries, and members went to various parts of the province to acquaint themselves with the situation and to promptly solve problems they discovered.

#### **Oceanographic Official on Spratly Islands**

HK1804131595 Hong Kong WEN WEI PO in Chinese  
17 Apr 95 pp A1-2

[By staff reporter Liu Yung-pi (0491 3057 4310): "China's Sovereignty Over Nansha (Spratly) Islands Is Indisputable—Interviewing Yan Hongmo, Director of State Oceanography Bureau"]

[FBIS Translated Text] Yan Hongmo, director of the China State Oceanography Bureau, recently granted an interview to this reporter on the Nansha [Spratly] Islands issue.

#### **The United Nations Asked China To Set Up Oceanographic Stations**

Yan pointed out: We have many historical materials, including past reports on developing the islands, to prove that the Nansha Islands have been Chinese territory since ancient times.

He stressed: The international community has acknowledged that the Nansha Islands are Chinese territory. In 1988, China set up oceanographic stations on Yongshu Reef in the Nansha Islands. This is because the UNESCO State-to-State [zheng fu jian 2398 1650 7035] Oceanography Commission set about studying the change in global sea levels in 1987, and made a plan to set up a global sea level observation network comprising 196 stations worldwide. They suggested that China set up one sea level observation station on both the Nansha and Xisha [Paracel] Islands. When attending the meeting as the head of Chinese delegation, Yan saw with his own eyes that no representatives at the meeting raised any objection, and that the plan to set up the observation network was adopted without a hitch.

In late 1987, China began building an observation station on Yongshu Reef. The project was accomplished in 1988. No country challenged the project until March 1988. Since then, some countries have brazenly invaded the Nansha Islands and stepped up their endeavors to occupy them, with the number of islands and reefs occupied increasing from a dozen to over twenty within a brief period. This is an act of forcibly occupying other people's territory by taking preemptive measures.

#### **To Whom the Islands Belong Is Not Decided by Distance**

While commenting on the recent incident on the Meiji Reef, Director Yan said: Our fishermen have operated

for several years in the South China Sea, which is often rough. They needed to go to the Meiji Reef, for instance, to take shelter from the wind. This is something natural. The Meiji Reef is like a bowl in shape. When the tide is flowing, it is under water; when the tide is ebbing, it holds water a dozen meters deep. So it serves as a haven. China's local department responsible for fishery administration built shelters from the wind there. Unexpectedly, the Philippine Government stepped in to interfere, based on its reasoning that the Meiji Reef was included into the Kalayaans Islands, which it claimed. China has stated clearly: It is Chinese territory. If you challenge, the issue can be shelved. We are ready to cooperate with other countries to jointly develop the islands. This shows our magnanimity.

He pointed out: When China's cultural revolution was in progress, some countries occupied a number of Nansha islands and reefs by force of arms, and then said these islands and reefs were their territory. Some people have argued that whichever island or reef is near to a certain country belongs to that country. Such an argument is untenable. To whom an island belongs cannot be decided by geographic distance. For instance, is Guam not far from the United States? But who can say it is not U.S. territory? So to whom a territory belongs is decided by historical facts, including the fact of which country first developed the territory.

#### **There Are Many Reasons for the Dispute Over Sovereignty**

Yan said: As late as the 1960's and 1970's, Vietnam's textbooks and maps still acknowledged that the Nansha Islands were Chinese territory. There are reasons for the Nansha Islands' sovereignty dispute's growing more violent today.

According to his analysis, this had something to do with the formulation of the "UN Maritime Convention." This convention was being formulated in early 1970's, when China's cultural revolution was under way. It was exactly in this period that several countries around the South China Sea occupied some Nansha islands, and China was too busy to take measures against the invasion. However, their invasion can never alter the fact that they are Chinese territory.

He also pointed out: Another reason is that various countries have attached increasingly great importance to the exploitation of ocean resources, in conjunction with the progress made in science and technology. Restricted by scientific and technological levels, many countries were not as eager in the previous stage to tap ocean resources as they are now. When advanced science and technology is available, however, some countries turned a blind eye to the historical fact that the Nansha Islands are Chinese territory. They confused right and wrong, truth and falsehood, and even went so far as to occupy some Nansha islands. In the final analysis, they scrambled for ocean resources.

**Functions of the Hainan Oceanography Department**

When speaking about the reason for Hainan Province's setting up an oceanography department, Yan said: The National People's Congress [NPC] entrusted to Hainan Province the power to administer the Nansha, Zhongsha, and Xisha Islands a long time ago. In 1959, when it remained an administrative region of Guangdong, Hainan set up a special office to administer the Nansha, Zhongsha, and Xisha Islands. When Hainan was declared a province in 1988, a provincial oceanography bureau was set up under the dual leadership of the State Oceanography Bureau and Hainan Province. The provincial oceanography bureau is responsible for the management of the South China Sea waters, including environmental protection, rational development and utilization of ocean resources, and implementation of relevant state maritime regulations. So the Hainan Provincial Oceanographic Bureau has existed for a long time, and has been discharging its duties. In the recent reform of the organizational structure, the "bureau" was upgraded to "department" so as to improve the local government's functions in administering the South China Sea. The dual leadership system has been abandoned, and the department now is directly under the provincial government, as are the Industry and Finance Departments.

Yan continued: The department, however, acts on the State Oceanography Bureau's instructions in performing its duties. Its specific duties are to rationally protect and utilize ocean resources, protect the maritime environment, and implement the state and local government's oceanographic regulations. So the oceanography department is not a impromptu product, let alone an institution through which the central government can put the blame for the dispute on the local government, which has no diplomatic powers and duties, as asserted by some foreign newspapers and magazines. Those who have made such assertions are ignorant of the Chinese Government's organizational structure. When commenting on the dispute over the Nansha Islands, Yan said: To solve the problem in a friendly way, we proposed shelving the dispute and developing the region jointly on the condition that the Nansha Islands are Chinese territory. The two sides can discuss their differences through

diplomatic channels. No third party intervention is allowed, nor is any attempt to internationalize the issue. China also is opposed to seeking solution through applying pressure because this will not help settle the problem. The problem should be solved through friendly bilateral negotiations. China is stepping up socialist construction, with economic construction as the central task, so we need a peaceful and tranquil international environment. In handling relations with neighboring countries, we refrain from intensifying contradictions. However, if other people try to put pressure on us by taking advantage of our good intentions, that also would be the last thing we wished to see.

When asked about China's forming maritime legislation, Yan said: After the NPC adopted the "Law on Territorial Waters and Adjoining Regions" in 1992, the State Oceanographic Bureau began discussing ways to improve China's maritime legislation. The "UN Maritime Convention" came into effect on 16 November last year. China, being a signatory country, is studying the problem of ratifying the convention. According to the principle enshrined in the convention, we are considering formulating the "Law on Special Economic Zones and Continental Shelves," which will, in principle, converge with the convention. However, since we have yet to delimit a maritime boundary line with neighboring countries, certain concrete problems, including those left over by history, need to be settled through bilateral negotiations when conditions are ripe.

Toward the end of the interview, Yan said: The oceanographic station we built on Yongshu Reef in the Nansha Islands has operated for nine years. The marine hydrologic and meteorological data collected by our observers are sent to world organizations, and the services we provide to ships travelling around the islands are well accepted. China is ready to make positive efforts to help develop the maritime space in a reasonable way, and to protect the maritime environment. It also is willing to enter into friendly negotiations with relevant countries on ways to jointly develop and utilize ocean resources and protect the marine environment, a major task that concerns the interests of endless future generations.

**General****Li Tieying Stresses Economic Reform at Conference**

HK1904090895 Beijing CHINA DAILY in English  
19 Apr 95 p 2

[Article by Sun Shangwu: "Pioneer Cities, Firms Focusing on Reform"]

[FBIS Transcribed Text] Chengdu—Cities and enterprises experimenting with market-oriented business should seek practical ways of promoting economic reform, a top official in charge of economic restructuring said yesterday.

"Acting as models for pioneering reform, these cities and firms should explore all relevant areas, said State Councillor Li Tieying, also minister of the State Commission for Economic Restructuring.

The reform should focus on State-owned enterprises and the establishment of market and social security systems, he added.

Pilot enterprises should aim to set up the modern enterprise system, working in accordance with market rules rather than by administrative order.

Addressing a three-day conference guiding the work of those pilot cities and firms, Li said they should take the positive attitude of finding solutions to problems instead of escaping them.

He criticized some local officials for taking a "watching attitude" and hoping the central government will give them final solutions. "Watching and waiting will make you lose the final opportunity," Li warned.

Experience shows that well-developed enterprises and cities benefit from the reform, he said.

The commission selected 18 cities across the nation two years ago to pioneer comprehensive economic reform. They were urged to seek effective ways of establishing market systems which cohere with their local conditions. Their experiences are expected to guide the reform process of the entire country.

Meanwhile, the State Council also appointed 100 large and medium-sized State firms last year to spearhead the establishment of the modern enterprise system. The commission is responsible for guiding the work of 30 firms, and the rest are under the leadership of the State Economic and Trade Commission.

Li encouraged all pilot firms and cities to create more favourable conditions for reform!

According to the central government's plan, government administration reform will be launched this year at provincial and municipal levels. Li urged all local officials to grasp this chance to transfer government functions.

Li revealed that the central government has planned to support the development of 500 to 1,000 large enterprises or industrial groups in the next five years, turning them into the country's economic pillars.

State firms have been encouraged to expand their assets by adopting such measures as buying shares or holding the dominant shares of other firms.

During the next five years, the central government will deal with relations linking government, finance, banks and State-owned enterprises, said Zhang Haoruo, vice-minister of the commission.

The debt problem of State firms will be solved gradually, he said.

**State To Intensify Reform on Large State Firms**

HK1904065295 Beijing ZHONGGUO XINWEN SHE in English 1409 GMT 18 Apr 95

[FBIS Transcribed Text] Chengdu, April 18 (CNS)—Vice-minister of China's State Commission for Restructuring the Economy Zhang Haoruo said today that the reform on state firms should eye on enlivening the overall state economy. The reform on large-scale state firms should be intensified while small enterprises be cartelized, merged, announce bankruptcy in order to restructure the assets.

Zhang made the above-mentioned statement at today's conference on comprehensive urban reform experiment and modern enterprise system experiment. He introduced the gross state-owned assets of China which were valued at RMB [renminbi] 3,500 billion at present and of which, state-owned assets in the industrial sector valued at RMB 900 billion. Inflexible form of state-owned assets and failure to be integrated with cost-effective enterprises was one of the main reasons for low cost-effectiveness of state firms. Practice has proved that full-scale reform and restructure on groups of enterprises would help to rearrange and restructure assets and be favorable to establishment of the modern enterprise system.

Zhang said backbone state firms with good cost-effectiveness and bright future should be encouraged to merge, acquire, control and subscribe shares of loss-making enterprises in a bid to restructure assets. The existing enterprise groups should be fostered into cross-trade and cross-regional enterprise group.

The State Council had decided to choose 500 to 1000 large-sized enterprises to launch the reform on a trial basis in a bid to fully mobilize the key role of major state-owned enterprises in the national economy, said Zhang. The reform on small firms would be also intensified. Small firms which were unsuitable to be run in the form of state-owned enterprises could be transferred, leased, contracted and sold. At present, among over 80,000 state-owned industrial enterprises, more than 60,000 were small firms, representing over 80 percent of the total. The reform on seriously loss-making small

enterprises could help to reverse the unprofitable trend of state firms and to promote development and to stabilize the society.

**Antiforgery Technology Association Established**  
OW1904043795 Beijing XINHUA in English 0321  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—The China Anti-Forgery Technology Association was established here yesterday, according to today's CHINA DAILY.

As the country's first national anti-forgery body registered with the Ministry of Civil Affairs, the association will introduce anti-forgery techniques and publicize anti-forgery knowledge.

Most of the association's technical inspection and testing force comes from the China Institute of Forensic Science, which has top inspection devices and experts.

"Anti-forgery technology is of profound significance to the country's social stability and economic development," Jiang Xianjin, vice-minister of Public Security, said at a ceremony yesterday.

He asked the association, which reports to his ministry, to cooperate closely with administrative departments and research institutes in the struggle against forgery to safeguard China's modernization.

Liu Yao, president of the association, said that his association is preparing to open an anti-forgery technology center.

**China Fights Arbitrary Highway Charges**  
OW1804162295 Beijing XINHUA in English 1519  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—Chinese officials vowed at a national telephone conference today to get rid of all illegal highway fees.

Wu Bangguo, a member of the Political Bureau of the Communist Party Central Committee and vice-premier of the State Council, urged local officials to realize the seriousness of such rampant activities.

Wu admitted that "sanluan", which means arbitrary imposition of service charges, collection of illicit fees and random installation of checkpoints on highways, has run rampant in many areas. This, he said, has disrupted the normal order in highway transportation and commodity circulation, which has in turn added to people's financial load and given rise to corruption.

"It brooks no delay to remove all these illicit obstacles," he said, "as they have damaged the image and reputation of the Party and government."

To curb the rising tendency to impose arbitrary charges, fines and checkpoints, he said, governments at various

levels must concentrate on the national and provincial trunk highways and local highways, which are usually the target of such activities.

Wu asked localities to remove all the checkpoints which have not been approved by relevant government institutions by the end of May this year. Departments and individuals will be severely punished if they are found to practise local protectionism in defiance of the State's ban, he warned.

**Economy Grows Steadily in First Quarter**  
OW1804165795 Beijing XINHUA in English 1627  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—China has claimed initial success in reining in inflation, and the overall economy is moving toward the expected macro-control target, announced Qiu Xiaohua, spokesman for the State Statistics Bureau, here today.

Qiu told a press conference that the inflation rate kept dropping in the first quarter of this year, with the growth rate of the consumer price index edging down to 21.3 percent in March from 24.1 percent in January, and that of the retail price index sliding from 21.4 percent in January to 18.7 percent in March.

He said that the national economic performance is relatively stable, the total demand and total supply are basically balanced, and a steady growth is seen in industrial production.

He said that China achieved a gross domestic product of 981.1 billion yuan-worth in the first quarter, an increase of 11.2 percent over the same period of last year. According to constant prices, if seasonal factors are deducted, he said, the annual growth rate will be around 10 percent, adding that this means that the growth rate has slowed down to some extent.

Statistics show that the total value-added of industrial enterprises at and above township level in the first quarter was 399.6 billion yuan, up 14.4 percent over the same period of last year. The state-owned enterprises registered a rise of 7.5 percent during the period.

Light industry's growth rate outstripped heavy industry's by a big margin—20.2 percent as against 10.1 percent. The production of major raw materials such as steel, rolled steel, soda ash, and electronic and technical products for investment use declined.

Meanwhile, the sales ratio rose by 3.09 percentage points to 94.42 percent in the first quarter, compared with the same quarter of last year.

The spokesman said that agricultural production has seen an optimistic start, with planting areas of farm crops showing a trend of expanding. He added that farmers have become more enthusiastic about farming.

He explained that steady development has also been achieved in animal husbandry. In the first quarter, the total output of meat reached 12.7 million tons, up 18.2 percent over the same period of last year.

He said that more pigs were in stock in the first three months, which is helpful for the stability of market prices.

The chief economist said that in the first quarter, the total investment in fixed assets by state-owned units was 111.8 billion yuan, up 37.2 percent over the same period of last year, a growth rate roughly the same as that for the corresponding period of last year.

Meanwhile, China invested more in agriculture and the energy industry in the first quarter. Investment in agriculture registered an increase of 90.1 percent over the same period of last year, while an increase of 40 percent was recorded for the investment in the energy industry.

Statistics show that total retail sales of consumer goods was 462.7 billion yuan-worth in the first quarter, up 31.3 percent over the same period of last year. The real growth rate was 9.5 percent if inflation is taken into consideration.

He said that China exported 30.95 billion US dollars-worth goods, which was 62 percent more than in the same period of last year, and imported 23.87 billion US dollars-worth of goods, a rise of 16.9 percent.

He said that by the end of March the total foreign exchange reserve had reached 58 billion US dollars, 6.4 billion US dollars more than the figure at the end of last year.

He said that in the first quarter the per capita income of urban residents was 1,038 yuan, a real growth of 8.8 percent when price hikes are deducted, adding that the per capita income of rural residents was 455 yuan in the same period, a real growth of 19 percent.

However, he said, the national economy is still plagued by a high inflation rate, triangular debts and less than ideal efficiency.

#### Information Center on 1995 Economic Trends

HK1804143195 Beijing ZHONGGUO XINWEN SHE  
in English 0947 GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (CNS)—Predictions made by the State Information Centre concerning the ten economic development trends in China this year.

1. The national economy will still maintain a high growth rate. The growth in GDP will be slightly lower than that in 1994, but it will still be maintained at around 10 percent.

2. The rate of price increases will evidently decrease in 1995 when compared with that in 1994. However, the inflation will still remain at a high level.

3. In 1995, fixed assets investment in society will continue to have a high growth rate of around 20 percent.
4. In 1995, macroeconomic policies such as finance, credit will be in a state of contraction. The issue of currencies, scale of credit and expenditure of consumption fund will decrease when compared with the growth rate in 1994.
5. In 1995, the mainland consumption market will show a steady trend for growth and consumption will continue to increase. The consumption gap between cities and villages will decrease. The growth rate of the total volume of retail sales is expected to be higher than that in 1994.
6. In 1995, import and export trade will still maintain high growth, but the growth rate will be evidently lower than that in 1994. Growth in exports will be slightly higher than import growth. Estimated growth of exports for the whole year is around 16 percent, and growth of imports around 14 percent.
7. Personal savings will continue to have high and rapid growth. It is estimated that in 1995, the balance of savings deposits will grow by over 30 percent.
8. The regional economic development gap will further enlarge.
9. In 1995, the production of the light industry will grow faster than that of the heavy industry. Estimated growth of the light industry is 22 percent; while that for the heavy industry is 18 percent.
10. 1995 agriculture: good harvests are expected.

#### Fewer Chinese State Firms Run at Loss

OW1804165695 Beijing XINHUA in English 1552  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—Some 46.8 percent of China's state-owned firms were still running at a loss in the first quarter, but the figure is 2.8 percentage points down from the same period of last year.

Qiu Xiaohua, spokesman for the State Statistics Bureau, made this announcement here today, adding that the total loss for the country's state sector amounted to 14.8 billion yuan, a drop of 4.7 percent from the corresponding period of last year.

He said that China's state sector realized a growth of 7.5 percent in production but is still bedeviled by fund shortages and triangular debts. Some enterprises also suffer from inefficiency.

He said that in the past 16 years since China started implementation of the opening and reform policy, the state sector has been growing at an annual rate of eight percent, a sizeable growth rate even compared with other countries.

However, the average growth rate for the non-state sector was 25 percent annually, he said.

**Statistics Indicate Decline in Rural Poverty**  
OW1904070195 Beijing XINHUA in English 0630  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—The number of poor rural people in China went down to 70 million in 1994 from 80 million in 1992, according to the latest statistics.

The incidence of poverty was 7.8 percent, one percentage point lower than in 1992, according to the State Statistics Bureau's (SSB) General Organization of Rural Social and Economic Survey, whose figures came from a sample of 67,000 rural households across the country.

China's rural poverty line in 1994 was set at 440 yuan, based on certain figures such as the minimal living cost, the SSB said.

An economist with the SSB attributed the drop in the number of poor people to steps taken by the government at various levels over the past two years.

The government has raised the price of agricultural products substantially and has taken various measures to relieve farmers' financial burden.

The development of township enterprises has also helped improve the living standards of rural residents, and statistics show that eastern China showed the sharpest decrease, followed by central China.

There have been two phases in reducing the number of poor people: From 1978 to 1985, the number of people below the poverty line went from 250 million to 125 million, decreasing at an average annual rate of nearly 18 million. During the past nine years, the number has decreased at an average annual rate of some six million.

According to the Chinese Government's plan, China is expected to eliminate poverty by the end of this century, but, to meet the target, it is imperative that the number of poor people be reduced by an average of 10 million a year over the next six years.

**Beijing Meeting Stresses Relying on Working Class**

OW1804124795 Beijing XINHUA Domestic Service in Chinese 1437 GMT 29 Mar 95

[FBIS Translated Text] Beijing, 29 Mar (XINHUA)—The QIUSHI journal and the All-China Federation of Trade Unions recently jointly held the "Wholeheartedly Relying on the Working Class Symposium." Symposium participants stressed: In the new situation of reform, opening up, and developing a socialist market economy, whether or not we can wholeheartedly rely on the working class has something to do with the success of reform and with the nature, future, and fate of our party and country. As long as we seriously rely on the working

class, we will be able to triumph in the ever-changing contemporary world and in the great change of reform, opening up, and modernization of contemporary China.

Symposium participants were of the opinion that persistently and wholeheartedly relying on the working class is a demand of the times, as well as a requirement for carrying out reform and opening up and for building a socialist market economic system. They said: Any ideas that show skepticism about or are aimed at weakening or negating this avocation are theoretically wrong and detrimental in practice, and, therefore, should be resolutely opposed.

The participants said: To carry out the party's policy of wholeheartedly relying on the working class, we must deepen the understanding of leading cadres at all levels of the party and government and must follow the party's mass line. In formulating relevant policies and laws and in their work in all areas, the party and government should fully embody this principle and should truly ensure the master status of the masses of staff members and enterprise workers.

Many of the participants said: To persistently and wholeheartedly rely on the working class, we should properly do work in the following areas: First, we should endeavor to manage well large and medium state-owned enterprises to secure and develop the socialist public ownership system's position as the main body. Second, we should adhere to and improve the enterprise leadership system of "giving full play to party organizations' role as the political core, adhering to and improving the factory director (manager) responsibility system, and wholeheartedly relying on the working class." Third, we should faithfully enforce the "Labor Law" and truly protect the legitimate rights and interests of staff members and enterprise workers.

Xing Bisi, chief editor of QIUSHI, presided over the symposium. Those attending and speaking at the symposium included Yuan Baohua, president of the China Society for the Study of Workers' Ideological and Political Work; Zhang Dinghua, executive vice president of the All-China Federation of Trade Unions; and officials in charge of the Central Policy Research Office, CPC Central Committee General Office and Organization Department, Personnel and Labor Ministries, and the Shanxi provincial government, including Zheng Keyang, Chen Fujin, Yi Yunyao, Cheng Lianchang, Zhu Baozhen, and Liu Zemin. Also attending the symposium were people in charge of some large state-owned enterprises and representatives of model workers.

**Ministry Marks Urban Planning Law Anniversary**  
OW1804124495 Beijing XINHUA Domestic Service in Chinese 0946 GMT 29 Mar 95

[By reporter Cong Yaping (0654 0068 1627)]

[FBIS Translated Text] Beijing, 29 Mar (XINHUA)—The Construction Ministry invited some leaders and

experts to a forum at the Great Hall of the People on the fifth anniversary of the promulgation of the "PRC Urban Planning Law." The participants urged: More emphasis should be placed on the Urban Planning Law's importance as our cities enter a phase of faster development. In particular, the leading and policymaking levels should know and observe the law so as to prevent the harmful legacy of lopsided urban development.

Construction Minister Hou Jie said: Five years after the "PRC Urban Planning Law's" implementation, the formulation of plans for cities and towns at all levels and the modification of relevant transcentury master plans have begun comprehensively; we have established according to law the "one letter and two certificates" system for urban planning [construction projects must be accompanied by letters of suggestions on construction sites for urban planning, permits for the use of construction land, and permits for construction projects]; and cities, upon examining and approving relevant construction sites and projects, have issued over 4 million permits for construction land and construction projects, and scored significant successes in investigating and handling cases of illegal land use and construction. This urban planning guidance has played an important role in forming a rational framework for cities, improving their quality, and promoting their coordinated development. We should further enhance the awareness of all levels of leadership and the entire society in urban planning, especially when faced with new problems and conflicts; properly handle relations between the part and the whole, and between present construction efforts and long-term development; and strive hard to bring about integrated and coordinated economic, social, and environmental benefits.

Li Peiyao, vice chairman of the National People's Congress Standing Committee, and Qian Weichang, vice chairman of the National Committee of the Chinese People's Political Consultative Conference, pointed out: Failure to observe the law is still a serious problem. For example, office buildings have been built in parks and historical sites, factories causing serious pollution have been built in the city proper, construction projects have proceeded beyond their plans, and cities are overextended and chaotic. In their blind pursuit for closely built tall buildings, some cities have lost their local flavors and damaged cultural relics and historical sites. Some main railway lines and major highways run right through downtown areas, and we have seen excessively large-scale development, as well as arbitrary construction and occupation of property. These problems stem from failure to forcefully implement the Urban Planning Law. What is worse, certain city mayors and county magistrates have failed to notice that some of their policy decisions violate the Urban Planning Law, which they have not even studied. The participants suggested that we set rules requiring new city mayors and county magistrates to read through relevant laws at least once, because only by knowing the law can they talk about

administering cities according to law. The Urban Planning Law, which should be even more far-sighted and scientific, should be amended and perfected according to changing circumstances.

Zhou Ganzhi, an academician at the Chinese Academy of Sciences; Wu Liangyong, the great architect; and other experts believed that to promote sustained development of cities, we must tighten control over urban planning, and carry out real estate development and the construction of municipal works under the Urban Planning Law's guidance. Failure to do so will bring no end of trouble for the future.

#### 1.4 Billion Yuan To Be Invested in Gold Industry

HK1804144695 Beijing ZHONGGUO XINWEN SHE  
in English 0752 GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (CNS)—China will this year invest RMB [renminbi] 1.4 billion in capital construction and technological renovation for the gold industry to further promote gold production in the country.

China will this year continue to encourage gold production and gold sales to the State. The state mandatory plan for gold production will still be implemented in the country, said Xu Daquan, Vice Minister of Metallurgy, at a national working conference on gold production held recently. Mr. Xu said that the enactment of "regulations on gold prospecting, development and administration over production" should be speeded up. The regulations are an important part of legislation on gold production. During the period of the 9th Five-Year Plan, the Gold Department under the Ministry of Metallurgy will strengthen its research on development and utilization of gold resources which are difficult to be processed and technology of gold extraction in deep mines in order to expand the scope of using gold resources, enhance the technological level in the gold industry and further promote gold production in the country.

China saw its gold production last year reaching the goal set for the years in late 8th Five-year Plan period. Gold purchased by the State last year increased by 45 percent over 1993, representing 91 percent of the total output in 1994 and hitting a new high. Moreover, economic profits of the gold industry as a whole was greatly raised, with a sales income of RMB 1.05 billion, increasing by 31 percent over 1993.

#### China To Restructure Computer Industry

OW1804162495 Beijing XINHUA in English 1541  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—In the near future China's computer industry will be restructured from the perspective of serving the national information infrastructural construction and renovating traditional industry, according to a national computer and software working conference which opened here today.

China's computer industry entered the industrialization stage in the 1980s. During the eighth five-year plan period (1991-1995), the industry registered an average growth rate of 58.5 percent, and has formed a framework of manufacturing, software and information services. Displayed in a current information technology and products fair held by the Ministry of the Electronics Industry in Beijing are more than 1,000 electronic products developed by Chinese producers.

However, the level of the industry is still low and still cannot meet the requirements of the rapidly developing national economy.

At present, China's computer industry is developing rapidly, but backward in the basic technology and slow in absorbing advanced development and production know-how.

China has decided to give priority to the development of its computer industry and raise the output value from 50 billion yuan in 1995 to 170 billion yuan at the end of the century. Emphasis will be put on the construction of a number of production and export bases, applicable softwares, key enterprises, and a network service based on data banks.

**Shipbuilding Industry Association Established**  
OW1904092795 Beijing XINHUA in English 0755  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—The China Shipbuilding Industry Association, with 584 member enterprises and institutions, some 60 percent of all the country's shipbuilding units, was officially set up here today.

The members come from the fields of shipbuilding and repairing, trade and materials, and ship-born machines and equipment, and are from scientific research and design institutes, universities, and colleges.

Sources from the association say that its goal is to promote the country's shipbuilding industry, protect the State and units' interests, have a rational ship market, co-ordinate relations among companies, provide a link between government and business, and improve exchanges and cooperation with foreign partners.

Since the beginning of China's opening-up and reform policies 16 years ago, the shipbuilding industry has seen great advances. At present, the country's annual shipbuilding capacity has risen to four million tons, with annual actual shipbuilding of some three million tons, some 3.3 times the 910,000 tons in 1981.

The sources said that since 1979 the shipbuilding industry has exported many kinds of highly-technical ships, such as container ships, refrigerator ships, car carriers, large oil tankers, and chemical product tankers, with quality and technical indices matching international standards.

Chinese ships have been sold to more than 40 countries and regions, including such shipbuilding giants as Japan and the Republic of Korea.

**Vice Governor on Developing Yunnan's Resources**  
OW1904092295 Beijing XINHUA in English 0815  
GMT 19 Apr 95

[FBIS Transcribed Text] Kunming, April 19 (XINHUA)—Vice-Governor of Yunnan Province Liu Jing has pledged to make better use of Yunnan's abundant resources by opening wider to the outside world.

He said that Yunnan covers 394,000 sq [square] km, a quarter of it in sub-tropical and tropical zones, and explained that, "mountainous areas account for 94 percent of Yunnan's land space, so, Yunnan is rich in mineral and energy resources."

The Yunnan Provincial Government has decided to start 18 projects to develop biological resources, including flowers, coffee, perfume, livestock, and biological pharmaceuticals, he said.

When completed, after three to five years, the projects will generate at least 10 billion yuan a year in output and 300 to 500 million US dollars in exports, he said.

"We plan to spend 160 million yuan building China's largest flower center in Yunnan," he said, adding that exports of flowers are expected to total 10 million US dollars in 1995.

Also, 120 types of minerals have been found throughout Yunnan, he said, and Yunnan accounts for 20 percent of China's proven reserves of nonferrous metals.

According to Liu, Yunnan ranks first in China in proven reserves of zinc and lead, second in tin reserves, and third in copper and nickel.

With its 600 rivers, Yunnan has an estimated 71.2 million kilowatts of exploitable hydroelectric power, he said, and that a number of major power stations are being built, and the province has begun transmitting electricity to neighboring Guangdong Province.

Over the past three years, provincial authorities have approved nearly 1,000 foreign-funded companies involving 960 million dollars in overseas investment.

The province is negotiating with a number of multinational corporations on joint construction of highways, hydroelectric power stations, and aluminum plants, and in searching for minerals, in mining, and in growing flowers, he said.

The companies include DLJ of the United States, the Nomura Securities Company of Japan, Daewoo of the Republic of Korea, BHP of Australia, and MDX and M groups of Thailand.

The Firmenich Company of Switzerland has signed a contract with the Kunming Perfume Factory to jointly

produce perfume for export, the vice-governor said, adding that the two partners will invest a total of 27 million dollars in the project.

The Yunnan Provincial Power Company is discussing the joint construction of large hydroelectric stations and thermal power plants, with 10 big foreign companies, he said.

#### Shenyang Markets Reportedly 'Thriving'

OW1904092195 Beijing XINHUA in English 0759  
GMT 19 Apr 95

[FBIS Transcribed Text] Shenyang, April 19 (XINHUA)—Various kinds of markets are thriving in the capital of Liaoning Province as a result of the growth of the market economy.

An official of the city Bureau of Industry and Commerce says that Shenyang now has 445 markets, a dramatic increase from the 91 in 1979.

The number of people employed in the markets has also soared to 230,000 from 1,000 in 1979, the official said.

He said that 24 markets have an annual turnover exceeding 100 million yuan each, and five have an annual turnover topping one billion yuan each.

In 1994, deals struck in the 445 markets were worth 20 billion yuan, roughly 91 percent of Shenyang's total retail sales, he explained, and those of the first quarter of 1995 amounted to 6.65 billion yuan.

The official said that since 1993, the city government has spent 1.15 billion yuan building and expanding markets, nearly five times the total amount for the previous decade.

Wu'ai Market, the largest in Shenyang, recorded a turnover of six billion yuan in 1994, up 90 percent from the previous year, and it is being expanded at a cost of two billion yuan to increase its floor space to 600,000 square meters.

#### Southwest Region Trade Fair Ends 19 Apr

OW1904092395 Beijing XINHUA in English 0805  
GMT 19 Apr 95

[FBIS Transcribed Text] Nanning, April 19 (XINHUA)—A three-day trade fair, with seven provinces, autonomous regions and cities in southwest China participating, has closed in the port city of Fangchenggang, in the Guangxi Zhuang Autonomous Region.

Believed to be the largest trade event in southwest China, the fair clinched 251 contracts and letters of intent involving 1.7 billion yuan and 1.6 million US dollars.

Fangchenggang, the biggest port in the region, has signed 14 contracts alone worth a total of 586 million yuan, one third of the fair's total.

Participants included Sichuan, Yunnan, and Guizhou provinces, the two autonomous regions of Guangxi and Tibet, and the industrial cities of Chengdu and Chongqing.

Zhejiang, and provinces in the northeastern part of China also sent industrial and commercial representatives to the fair.

#### Conical Steel Tubing Line Passes Trial Run

OW1904092895 Beijing XINHUA in English 0821  
GMT 19 Apr 95

[FBIS Transcribed Text] Jinan, April 19 (XINHUA)—China's largest production line for producing conical steel tubing has been built in Weifang, Shandong Province and completed a successful trial run.

As the latest substitute for concrete and wood used for signpoles, and for lights, and electric poles, conical steel tubing is a popular building material widely used in developed countries.

To meet the growing demand for advanced building materials, Chinese and American investors of the Hailaite Company, a Sino-US joint venture in Weifang, jointly invested 150 million yuan to import the production line from Germany, and installed it in the Weifang New and Hi-Tech Industrial Development Zone.

According to local officials, the production line has an annual production capacity of 200,000 pieces of conical steel tubing of hot-dipped zinc coating, metal spray coating, and plastic coating, and is expected to generate 180 million yuan in output value a year during the experimental production stage.

#### Shaanxi TV Station Carrying Economics Channel

OW1904073695 Beijing XINHUA in English 0702  
GMT 19 Apr 95

[FBIS Transcribed Text] Xian, April 19 (XINHUA)—A television station in this capital city of northwest China's Shaanxi Province has started an economics channel from Tuesday [18 April] in an effort to serve the region's economic development.

This makes it the first TV channel opened by a local television station in northwest China to deal exclusively with the economy.

The new channel, approved by the Ministry of Radio, Film and TV, will provide information on economic development in Guanzhong (central Shaanxi) Prefecture and the Longhai Economic Zone, economic information in all areas, consumer trends, and market demand. It will also broadcast entertainment programs, films, and TV series.

The new channel was started with an investment of 20 million yuan, and covers over 30 counties in five prefectures in Shaanxi.

**\*State Enterprise Reform for 1995 Highlighted**  
95CE0312A Beijing QIYE GUANLI [ENTERPRISE MANAGEMENT] in Chinese No 1, 1 Jan 95 pp 5-7

[Speech given by QIYE GUANLI Chief Editor: "Views on the Main Points and Thinking of Reform of State-Owned Enterprises This Year"]

[FBIS Translated Text] The central economic working conference, which closed last December, resolved to make the deepening of enterprise reform the focus of the restructuring of the economic system, starting this year. To do a good job in publicity and reporting in 1995, Comrade Zhu Shou, QIYE GUANLI's chief editor, held a discussion with the entire editorial department and delivered an important speech. Below we publish a summary of his speech for your reference.

In Comrade Zhu Shou's opinion, the resolution by the CPC Central Committee is both appropriate and timely, giving the deepening of enterprise reform an excellent opportunity. This is because: 1) State enterprise reform has always been the central link of the restructuring of the economic system in the 15 years since reform went under way and the open policy was introduced. State enterprises have changed profoundly. In particular, a host of well-managed large and mid-sized enterprises have come to the forefront, not only contributing to the fast growth of the national economy, but also accumulating valuable experience and laying a solid foundation for the deepening of enterprise reform; 2) the "Decision" adopted by the 3d plenum of the 14th CPC Central Committee pointed out a clear direction for the deepening of enterprise reform. Guided by this signpost, enterprise reform has entered a new stage of changing the mechanism, making institutional innovations and coordinating with other reforms; 3) several major structural reforms introduced last year, including fiscal reform, tax reform, and financial reform have achieved initial success. By ending the isolation in which enterprise reform used to find itself, these reforms have given it a new and more hospitable environment, at the same time demanding that enterprise reform be intensified and quickened; and 4) right now enterprises are confronting numerous difficulties and problems, especially the challenge posed by China's accession to GATT. Deepening enterprise reform is the most basic solution if we are to extricate enterprises from their dire straits and energize them. That is to say, it is both urgently essential and entirely possible not only to make enterprise reform the central link in terms of content but also to give it priority when assigning tasks. We must understand this situation thoroughly and grasp the opportunity to deepen enterprise reform and broaden its substance.

At the same time, however, we must realize clearly that deepening enterprise reform and putting large and mid-sized state enterprises on a sound footing is no easy task but a complex and arduous piece of systems engineering that calls for a prolonged strenuous effort. For one thing, many of the more superficial

contradictions of the traditional system of economic planning have been resolved in the earlier period. What remains to be tackled consists almost entirely of intractable deep-seated contradictions such as the fusion between government administration and enterprise management, a lack of clear separation between property rights and responsibilities, enterprise owners not being fully in charge, glitches in the state properties management system, and the absence of a sound social security system. Second, enterprises are saddled with heavy historical burdens, such as massive debt, over-staffing, an onerous social burden, and backward technology and equipment. Third, there is a surfeit of practical problems, including fund shortages, mounting losses, many enterprises owing each other money, and an irrational mix. All these problems and contradictions have been piling up for years and cannot be resolved overnight. Fourth, we have no experience in coordinating enterprise reform with other reforms in terms of either sequence or content so that they complement and nurture one another, enabling us to really pull off this colossal piece of systems engineering.

Leading comrades on the CPC Central Committee say that enterprise reform will help decide whether or not China can create a socialist market system and make or break the restructuring of the economic system as a whole. Enterprise reform, it may be said, has reached a critical juncture. Although difficulties and contradictions abound, the direction has been identified and goals have been set, so there are many auspicious circumstances. To resolve these difficulties and contradictions, we need to conduct further theoretical research and, even more important, break new ground with courage in our practice. We need to learn from some foreign experiences but, even more important, chart our own path to success. Provided we roll up our sleeves and go to work earnestly and with perseverance, we will certainly achieve the goal of deepening reform and making a success out of large and mid-sized state enterprises after putting in years of hard work. We are fully confident about that. The "Decision" adopted by the 3d Plenum of the 14th CPC Central Committee called for the creation of a budding socialist market economy by the end of this century. Correspondingly, the goal of state enterprise reform is to put together in every enterprise a modern enterprise system that is compatible with the socialist market economy and is regulated by law. A modern enterprise system has four salient features: well-defined property rights, clear and precise rights and responsibilities, separation between government administration and enterprise management, and scientific management. A modern enterprise system includes many things and must be understood as a whole, but it is clear its central link is the separation of government administration from enterprise management. In accordance with the requirements of the "Decision," we must take the separation of government administration from enterprise management as the central link, continue to transform the enterprise's operating mechanism, and establish a

modern enterprise system so that the state enterprise becomes a bona fide legal-person entity and a key player in market competition which has decision-making authority in its operations, is accountable for its own profits and losses and capable of self-development and self-discipline, and continues to play a leading role in the national economy, thus setting the stage for the creation of a socialist market economy. To achieve the above objective, enterprise reform must feature new thinking and new methods. Integrate what is happening at selected points with what is happening everywhere else. Move ahead gradually. Reconcile reform with development and stability. Draw up a plan. Emphasize the priorities and problems and carry out reform in a coordinated way. Instead of just turning around individual enterprises, make the entire national economy a success. Combine restructuring, reorganization, and transformation with the improvement of enterprise management. Even as we retool the enterprise and change its mechanism, we must waste no time in solving its real-life difficulties and gradually relieving it of its historical burden.

State enterprise reform in 1995 consists mainly of these tasks:

1. Successfully Execute the Four Experiments Approved by the State Council Convert 100 large state enterprises into companies. Live up to the spirit of the national conference on experimenting with the modern enterprise system. Carry out systematic innovation and change the mechanism in strict accordance with the "Company Law." Prevent formalism. Do not put old wine in new bottles. Right now there are two things to be done. On the one hand, the departments, provinces, municipalities, and enterprises involved should draw up 12 related documents and work out their own detailed implementation plans based on the State Council's "Pilot Project Methods." On the other hand, we must check to see if the leaders in experimental enterprises are being forceful, if the internal mechanism is being transformed, and if management work rests on a solid foundation. If not, a shake-up is in order.

We must convert three national corporations into state holding companies. The state holding company is a new state properties management format somewhere between the government and the production-oriented state enterprise. We need to explore this new format carefully. We should make clear this is a managerial and specialized company wholly owned by the state. As representative of a state properties owner, it may buy and sell property rights, adjust existing properties, and manage the additional properties. Be sure, however, to protect the rights and interests of subsidiary enterprises.

We must continue the pilot project involving 56 large enterprise groups. Part of the large-company-large-group strategy, this pilot project has now gotten 3 years' experience under its belt. Amplify the role of the core enterprise and put it to good use. Strengthen property rights relations. Establish the parent company-subsidiary relationship. Break down inter-regional and inter-industry barriers. Integrate industry, science, trade, and

banking so that they complement one another and achieve economies of scale. Achieve a diversified structure. Bring about multi-level management, multi-dimensional development, and multi-player operations.

We must "Optimize the capital structure" pilot project involving 18 urban enterprises. This is a comprehensive pilot project aimed at deepening enterprise reform and putting large and mid-sized state enterprises on a sound footing. Use the city as the base and put its overall coordinating function to work to create a micro-climate where the enterprise's practical problems can be solved. The essence of the pilot project can be summed up with 18 characters: "zengzi, gaizao, fenliu, and pochan," meaning capital gain, transformation, diversion, and bankruptcy. Concentrate on increasing the enterprises' capital funds, easing their excessive debt burden, speeding up the pace of technological transformation, channelling redundant personnel elsewhere, hiving off social functions from enterprises, and setting up a bankruptcy mechanism that rewards the strong and eliminates the weak. This pilot project must be integrated with urban development planning.

If we look at the four enterprise-reform pilot projects outlined above by level, large enterprises form the "points," enterprise groups are the "pieces," national corporations are the "line," and core cities are the "region." If we group the enterprises involved by type, there are both industrial enterprises and circulation enterprises, both profitable and unprofitable enterprises. If we look at the city type, there are both large and mid-sized cities, both nascent industrial cities and old industrial bases. If we look at the contents of the pilot projects, the thrust is to transform the enterprise mechanism and carry out institutional innovation, at the same time solving enterprises' real-life problems and relieving them of their historical burden. In so doing, we will accumulate experience in enterprise reform-deepening at all levels and from all perspectives. That can only help us sum up our lessons, generalize them, and replicate them gradually.

In carrying out these four pilot projects, we must zero in on six problems, exploring and breaking new ground.

1) We must sort out property rights relations and make clear who the principal investors are. This is a paramount issue in separating government administration from enterprise management. As far as the state is concerned, its duties and responsibilities as owner of state properties must be separated from its duties and functions as social manager. The administrative management of state properties should be separated from their business operations. As far as the state-enterprise relationship is concerned, the ownership rights of the investor must be separate from the property rights of the enterprise as a legal person. This being the underlying premise, the problem is figuring out who is the principal investor of state properties. In other words, which body should hold state stock? As required under the "Company Law," the existing pilot project plan explicitly

designates state investment companies, state holding companies, state properties management companies, and qualified enterprise groups as the principal state stock investment bodies. Before these organizations are created or before they start functioning properly, the state may authorize a particular department to be the state investor temporarily. This department should have no administrative management responsibilities with regard to enterprises in which it has stock. The details of this plan should be further considered and worked out.

2) We must diversify the shareholders of companies of limited liability. Most experimental enterprises are working to convert themselves into companies of limited liability with at least two shareholders. Diversification of shareholders will help separate government administration from enterprise management. Also, we must separate the enterprises into those which are wholly funded by the state, those of which the state is the only shareholder, and those where the state is a shareholder, depending on what industry an enterprise belongs with and its own characteristics.

3) We must establish a scientific and standardized legal-person management body. In accordance with the principle that power organs, decision-making organs, executive organs, and supervisory organs must be independent of one another, each with its own well-defined duties and functions, and that they must restrain one another even as they act in unison with one another, we should put together management organizations comprising the shareholders' meeting, board of directors, supervisory board, and management. The key is to have each carry out its functions and duties in accordance with the Company Law. Make use of the party organ as the political core. Rely on the working class wholeheartedly. Reconcile the new "sanhuī" with the old "sanhuī" properly.

4) After inventorying its assets, we must increase an enterprise's capital funds and relieve it of its historical burden over time, and also create a mechanism to increase its funds. In seeking to increase the funds available to an enterprise to carry out production, we must insist that it rely mainly on its own funds, with the state giving it some help through the income tax and credit policies. The enterprise must make proper use of the financial power granted to it by the two sets of regulations. Before putting money into the accumulation fund, it should set aside a predetermined portion of its after-tax profits to supplement its own production and operating fund. There are complex reasons behind the enterprises' heavy debt burden, over-staffing, and onerous social burden. Already the pilot project plan includes some broad principles, which have yet to be spelled out in detail in related documents. The overall idea is to deal with each case on its own merits, adapt measures to suit the circumstances of the enterprise in question, and solve problems gradually.

5) We must build up a corps of entrepreneurs over the course of time. Already China boasts a number of

entrepreneurs with a domestic and international reputation. Nevertheless, they are still a far cry in both quality and quantity from what the market economy needs and from what it takes to make large and mid-sized state enterprises successful. We must work on raising the standards, credentials, and social treatment of enterprises as soon as possible. We must develop a market for qualified personnel. Through competition, we will nurture entrepreneurs and other senior managerial personnel who satisfy the demands of the market economy and have a low turnover. This is of critical importance to enterprise reform, development, and stability and to the creation of incentive and restraint mechanisms.

6) We must overhaul government functions before embarking on organizational reform. Today the lag in overhauling government functions has become a barrier to deepening enterprise reform. The chief problem is not only that government is meddling in too many things, but also that it is not taking care of things it should take care of. First of all, as far as the 100 enterprises in the pilot project are concerned, we should spell out the things that fall within the jurisdictions of government departments. Everything else should be done by the enterprises in accordance with the law. Second, organizational reform must take place in experimental cities before taking place in other cities. Third, set up intermediate organizations and formulate the appropriate laws and regulations.

## 2. Three Major Tasks in Enterprise Reform

1) Continue to implement the "Enterprise Law" and "Regulations on Changing the Mechanism." Be sure that the 14 managerial powers and responsibilities granted to enterprises actually get to them without being watered down along the way. Reduce unnecessary administrative interference to the minimum to create a favorable external environment for the entry of enterprises to the market.

2) Implement the "Supervisory Regulations" aggressively. These regulations are the refinement and elaboration of "Regulations on Changing the Mechanism." Between them, they constitute the cornerstone of a socialist market economy. Guided by the principle of "ownership resides with the state, management takes place at separate levels, supervision is carried out by function, and enterprises should be left to manage," we should tighten the supervision and management of state properties, turn the enterprise legal-person rights into a reality, and set up a properties management responsibility system. This year we will select the first batch of 30 large enterprises to experiment with the state-designated supervisory board. The experiment will be broadened to involve 1,000 enterprises in the future.

3) Continue to "transform the mechanism, tackle management, improve the enterprises internally, and increase profits" in order to turn losses into profits. The emphasis should be on further transforming the operating

mechanisms within the enterprise by introducing labor, personnel, and distribution reforms, among other things. At the same time, internal enterprise management must be beefed up. In particular, financial management, cost management, safety management, and quality control must be tightened. Aggressive efforts must be made to put good people in charge, to turn out quality products, and to rigorously enforce the responsibility system and evaluation system. The purpose is to operate in accordance with the law, run the factory strictly, and develop the fundamental skills needed to compete on the market.

In short, we must create the conditions that would help bring about the steady transition to a modern enterprise system.

### 3. Coordinated Reforms and Measures

1) The most important coordinated reform is a change in government functions, followed by organizational reform.

2) Set up a sound social insurance system. Failure to do so will severely hamper the deepening of enterprise reform. In the short haul we must make new progress in providing a pension system and unemployment insurance. Widen the coverage of social insurance and increase the extent of socialization of insurance. Starting this year, the employees of all kinds of enterprises must take part in pension schemes and unemployment insurance with no exception. Set up a unified regulating fund. Combine social planning with personal accounts. Study ways of ending the underfunding of state enterprise pension insurance.

3) Set up a market system. Even as we nurture key participants in market competition and apply ourselves to circulation reform, we must for the moment concentrate on developing the financial, labor, real estate, technology, and information markets. Regularize market behavior. Break down local and sectoral divisions. Combat illegitimate competition. Oppose profiteering on a massive scale and crack down on counterfeiting. Make a vigorous effort to set up and perfect intermediary organizations such as chambers of commerce and trade associations.

4) Continue with and perfect macroeconomic reform, including fiscal, tax, and financial reforms. They promote enterprise reform and vice versa. They are also complementary. Even as we push ahead with enterprise reform across the board this year, we must deepen financial, tax, fiscal, and investment reforms at the same time. Further improve the tax system and accelerate the commercialization of special banks. State enterprise reform is both the focal point and a major hurdle in the restructuring of the economic system. It embraces a wide area. But provided we live up to the demands of leading comrades on the CPC Central Committee and accomplish the three essential tasks—separating government administration from enterprise management, putting the internal management house of the enterprise in order,

and setting up a social security system, we will achieve new and remarkable success in enterprise reform.

The preceding paragraphs only deal with the thinking and methods of enterprise reform this year. It will be up to the appropriate State Council agencies to determine what actually will be done. It is the purpose of QIYE GUANLI magazine to publicize enterprise reform and enterprise management. We have a heavy responsibility on the publicity front in 1995. We must study conscientiously, apply ourselves to research with great concentration, understand the latest in enterprise reform and enterprise management, and publish articles on the subject in a timely way to serve enterprises and the reading public.

### \*State Commission Report on Inflation Control

95CE0158B Hong Kong TANGTAI  
[CONTEMPORARY] in Chinese No 43, 15 Oct 94  
pp 36-38

[Article by Han Ming-ta (7281 2494 6671): "A PRC State Planning Commission Report Notes That Inflation Is Nearly Out of Control"]

[FBIS Translated Text] Since the August 1994 inflation figures for the PRC were published, the focus of attention suddenly became focused again on China's economic problems as, after receding for a time, China's inflation figures rebounded sharply for July and August. National consumer prices were up 25.8 percent, while retail commodity prices were up 23.5 percent.

### The Inflation-Control Problem May Be Either Major or Minor

China's inflation is of concern because it not only objectively affects the public livelihood, but also involves the success of Chinese reform. If the inflation problem is not controlled, it might even lead to a recurrence of the 1988 situation, in which conservative forces retaliate to pose obstacles to the Chinese reform tide that has been so hard to achieve. So this problem could be called "either major or minor."

But just as close attention is being paid to the matter, a report from the State Planning Commission [SPC] leads to even more pessimism. This report forecasts price trends for the next several months, as well as stating that while "the better implementation of macroeconomic regulation and control steps and the weakening of 1993 [price] tails mean that our price-rise trend is likely to continue to slow, our price situation leaves no room for unrealistic optimism."

The report holds that current overall price levels remain high, still very far from the year's macroeconomic regulation and control target. It needs to be noted that while the 1993 tails effect is weakening monthly, pressures driving price rises in all areas remain great. Certain localities where prices are lower hold that controlling inflation might erode goods supplies and funds, which would be a loss to them, while localities where prices are

higher hold that as long as economic growth is fast and incomes high, inflation will have no particular impact. So the task of controlling price rises in 1994 remains quite difficult.

#### Fixed Assets Investment Is Up Again Sharply in Recent Months

The report also notes that as to the field of investment, while excessive fixed assets investment growth momentum has been curbed, the probability that national fixed assets investment for 1994 will top the fiscal-year plans is extremely high, as the investment rate remains too high.

Under a central mandate, while the growth rate of national fixed assets investment was down from 70.7 percent for the first half of 1993 and 53.3 percent for the last half of 1993 to 37.5 percent for the first six months of 1994, it again shot up to 70 percent for July and August 1994.

Authoritative estimates from concerned parties show that the current national overall scale of projects underway is at least over 6 trillion yuan, showing its brisk momentum.

Of even more concern is that in addition to these ongoing projects, the pressure for new project starts has not yet eased. Many localities are acting out of line with their capacities, competing with each other, unilaterally emphasizing their own needs and advantages, and demanding leading development, to the point where even the center feels that its orders are not working.

#### The Money Supply Passes the 100-Billion-Yuan Mark

The SPC report notes that another major factor driving inflation up rapidly is the rise in the amount of currency in circulation. While this longstanding problem has been noted for many years, the PRC has never been able to deal with it on a genuine economic scale, with the central Politburo Standing Committee's subordinate leading financial group still acting in line with factors such as political conditions and social stability to determine currency issue amounts and times. They often act in the interests of social stability and the state-enterprise "big pot" at the expense of economic laws.

So internal data from the State Statistics Bureau show that from 1990 to 1992, the money supply grew at a rate of 107 percent, while the GNP grew only about 50 percent.

By 1993, while the money supply was still growing sharply, the GNP was also growing sharply, so that the money supply growth was slightly lower than the GNP growth, by two points. But by 1994, despite the center's continued emphasis on macroeconomic regulation and control, the money supply continued to grow steadily, topping the 100-billion-yuan mark by September.

These data show that the sharp rise in currency in circulation, which was most glaring in July and August, was "an obvious rebound." Successive years of money supply growth averaging 30 percent created the direct pressure on the current inflation.

#### Credit Must No Longer Be Granted Based on Connections

But certain localities are still constantly complaining about a shortage of funds, while actually transferring funds to other areas of development on one hand, and telling the center that they have no money to pay wages to state enterprise workers on the other, demanding central "relief." And in the interests of stability, the center is forced to order that money be issued. The SPC notes that unless this matter is confronted, inflation is bound to grow out of control.

The SPC report also notes another inflationary factor, that the overall credit scope is too large. Since the macroeconomic regulation and control was applied, it was only by the end of 1993 that the credit scope was better controlled. But starting in early 1994, as the credit scope rose again, the State Council has recently issued a circular requiring that all areas implement its credit policy and set forth four demands:

1. All regions and sectors must continue conscientiously to emphasize implementation of state-enterprise working-capital loans to support marketable products and ultimately enable them to be sold and economic efficiency to be produced, thus preventing overstocked fund flows.
2. While implementing state credit policy and providing support to state enterprise working capital, all must also do a good job of sales promotion by "limiting production and cutting back inventories," in order not to cause new overstocking.
3. All must adhere to a focus on economics by not striving recklessly for speed at the expense of marketability and efficiency. Enterprises must not, to maintain production, supply products without asking the other party about its payment ability, and even less so violate contract provisions by supplying goods in excess or in advance. As this actually constitutes striving for book income without regard to fund return, it speeds up the formation of "triangular debt."
4. Economic and trade commissions, Industrial and Commercial Bank of China branches, and key leading cadres in all areas must personally organize surveys to learn about enterprise working capital loan demands, and then act in line with these demands and real circumstances to do a conscientious and meticulous job of helping enterprises solve their problems, while avoiding arbitrary lending.

In fact, the crux of these four steps is in the fourth one alone. As long as financial institutions act in accordance with genuine economic laws, instead of rashly lending

to enterprises based on human relationships or connections, the credit scope, and subsequently inflation, can certainly be controlled.

#### Interest Rate Adjustments Affect Diverse Interests

Aimed at these conditions, the SPC report notes that: "In the field of finance, while credit that withdraws currency from circulation has been restricted tightly, arbitrary fund raising and borrowing have raised their heads again in certain regions. In addition, the current reports from all areas show that as the price-rise trend gradually eases, the problems of enterprise fund shortages and mutual arrears are growing more conspicuous again, bringing considerable pressure to ease credit."

The SPC report sets forth certain ways to resolve the current inflationary pressures. To prevent overly high inflation, an overly tight monetary policy will be pursued for some months. Certain economists are calling for financial reform to speed up interest rate marketization to fight inflation, which is not unreasonable.

But in light of current conditions, as adjusting interest rates will affect the interests of many parties, being a very complicated matter, it will require many preparations and qualifications. What can be done immediately is to tighten market management to curb price rises, thus tightening credit and further improving the financial order and making the internal transaction mechanisms between banks and all financial institutions sounder.

Meanwhile, to ensure the purchase of fall grain and cotton and the supply of needed farm commodities, the concerned financial systems and circulation channels need to be better rectified and managed.

The SPC predicts that if these steps are implemented steadily, the inflation rate can be lowered in a few months to around 15-17 percent, and then reduced further in a few more months to about 10 percent, the target set by the State Council at the beginning of 1994. But the SPC emphasizes that these predictions are all based on current terms, not considering China's reaccession to GATT.

#### The Establishment of a Livelihood Goods Reserve System Is Recommended

In addition, the SPC reasserts the need to set up a reserve system for staple livelihood goods, to cope with emergency needs. That the center wants to set up such a reserve system shows that certain commodities are in quite short supply. To prevent material shortages from pushing up prices steadily, the SPC notes that: "We need to start first with farm products that affect the national economy and the people's livelihood, daily necessities, and key agricultural capital goods, to gradually set up a nearly complete reserve system. We need to continue to emphasize the production of staple farm products such as grain, cotton, and oil and the "food basket" project, by ensuring the size of cultivated areas, as well as doing

a good job of organizing the purchase, allocation, and shipping of key commodities, to increase effective supply. These are the grounds for market and price stability."

The SPC emphasizes the need, on the one hand, to tighten market management and commodity inspection and oversight by severely cracking down on illegal activities such as monopolizing markets, driving up prices, and seeking exorbitant profits. On the other hand, it notes the need to study and draw up better laws against monopolies, exorbitant profits, and fraud to establish a normal economic order in the field of circulation.

#### \*Article Views 'Severe' Economic Problems

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pp 23-25

[Article by Lai Ch'uan-chung (6351 1557 1813): "The Fourth Plenary Session Reports a Severe Crisis and Its Efforts To Surmount the Problems"]

[FBIS Translated Text] While the extent to which the report of the Fourth Plenary Session of the 14th CPC Central Committee, which was held in Beijing at the end of September 1994, discussed the economy is unknown, it did report on China's currently severe economic problems, particularly its longstanding high inflation, studying and formulating the next specific remedies that should be applied and China's economic reform policy for 1995. The report disclosed that the Chinese economy is faced mainly with the following severe problems:

1. The central government's macroeconomic regulation and control capability is weak. As the overall sector that manages the national economy, while the Ministry of Finance is dependent on strong and solid financial resources to bring its functions and roles into full play, since reform and opening China's fiscal functions have been growing not stronger, but rather weaker. The ratio of revenues to national income has been dropping yearly, from 31.3 percent in 1987 to 14.7 percent by 1992, to the point where World Bank experts are crying out in alarm that "probably no other country in the world has more decentralized revenues and expenditures than China." This decentralized fiscal order has caused the steady decline in the government's macroeconomic regulation and control capability.

#### The Flow Tax Leaves Local Governments Severely Dissatisfied

The 1994 tax reform involving mostly the flow tax was aimed at increasing national financial capacity to strengthen the central government's macroeconomic regulation and control capability. But a long-range view shows that while this reform undoubtedly helped to increase central revenues, another feature of the new tax system was that it put the knife to localities, clearly dividing revenues into central taxes, local taxes, and

**taxes shared by the center and localities.** To ensure that localities pay central tax revenues on time and in full, it also clearly ordered that two separate tax agencies, central and local, be set up. This took away not only more local profits, but also local rights, which touched off strong discontent in all areas. Since early 1993, certain localities have been raising their annual revenue and expenditure bases by collecting some 1994 taxes ahead of time in 1993. By September 1993, local revenues were up 52 percent from September 1992, more than double the year's industrial growth rate. This artificial raising of the 1993 revenue base not only slowed the 1994 revenue growth rate, but also left central revenues less than had been projected. And that added to the pressures involved in balancing revenues with expenditures in 1994, weakening the central government's macroeconomic regulation and control capability.

#### **The New Tax System Adds to the Enterprise Tax Burden**

**2. State enterprise losses are up.** In the first quarter of 1994, due to a drop in increased bank lending, the new tax system being put into effect quite hastily, and the difficulty in fully deducting receipt taxes, enterprise funds grew even tighter. The cutting back of investment projects caused some product overstocking, while the continued investment expansion and rising raw material prices in some fields also sharply tied up enterprise working capital, resulting in a resurgence of both triangular debt and inflation, and leaving 63 percent of enterprises suffering from mutual arrears on goods payments, which were growing ever more severe. The new tax system not only made the fund-shortage conflict between localities and state enterprises more glaring, but also added to the whole state-enterprise tax burden, making their plight even more difficult, and their losses grow steadily to top 40 percent. Loans are now the only means that can be relied on to resolve these enterprise production and wage-payment problems. State enterprises have become the major flaw in the tight control of monetary policy.

#### **The Regional Gap Between Rich and Poor Grows Steadily**

**3. The gap between rich and poor in all areas is growing wider.** With regard to peasant income in 1993, in the eastern coastal zone, where geographic conditions are superior and the economic base is better, peasant per capita net income reached 1,221 yuan, up 21.8 percent from 1992; in central region, it was 802 yuan, up 15.7 percent from 1992; but in the west, peasant per capita net income was 660 yuan, up only 9.3 percent from 1992. Taking eastern China as 1, the 1993 ratio of peasant per capita net income for eastern, central, and western China was up from 1:0.69:0.66 in 1992 to 1:0.66:0.64.

With regard to urban income, its levels are also subject to a clear disparity. The 1993 per capita cost-of-living

incomes for eastern, central, and western China were respectively 2,878 yuan, 1,886.8 yuan, and 2,045.1 yuan, up 31.9 percent, 24.9 percent, and 22.4 percent respectively from 1992. The per capita cost-of-living income gap for eastern, central, and western China changed from 1:0.69:0.77 in 1992 to 1:0.65:0.71. And the gap is continuing to widen in 1994.

A weak central financial capacity with a overly large regional gaps could lead to an ethnic and national breakup. The settling of ethnic problems is a development matter. Practice has proved that it is to no effect for backward regions to be dependent on central government support alone.

#### **Inflationary Pressures Reach the Limit of Endurance**

**4. Inflation is longstanding and high.** From February through May 1994, China's consumer price index dropped monthly, bottoming out at 18 percent, seeming to show that the macroeconomic regulation and control was succeeding. But inflation resurged in June and July, reaching a high of 25.8 percent for July, its peak since 1988, as well as showing a momentum of continued climb. The major cause of this was that the investment scale had never been brought back down. In early 1994, while the PRC for a time successfully forced its fixed assets investment growth rate under 40 percent, near to its 30-percent set target, the July growth rate suddenly shot up to over 70 percent, which was obviously the aftermath of loaded figures for previous months to meet target demands. Another factor was the sharp rise in China's grain prices. August [1994] data show that grain prices were up more than 50 percent from August 1993. The PRC blamed the sharp rise in grain prices on the deregulation of grain prices and the driving up of prices by some. So Zhu Rongji demanded exceptionally severely that agricultural capital goods must be available and at reasonable prices. In addition, while gross investment expanded, basic-sector investment was quite inadequate, with development still lagging, and "bottleneck" limitations growing more glaring, which further exacerbated the inflationary momentum. As the severe inflation has now reached the limit of public endurance, unless it is dealt with properly, it is very likely to produce social repercussions.

The Chinese Government is now in a double bind, in that on the one hand, it has to maintain a high economic growth rate, which is subject to no vacillation, while on the other, it has to control inflation. But overly high economic growth exacerbates inflation, while too low growth might tend to stabilize prices, but would similarly cause problems. On one hand, it would reduce supply, while on the other, it would put many enterprises in a state of stopped or semi-stopped production, causing some employees to lose their subsistence guarantees, which would cause social instability.

Faced with these conditions, this Fourth Plenary Session, being primarily concerned with preserving social stability, is likely to take the following steps:

**1. It will give priority to controlling inflation.** As inflation severely affects the livelihoods of so many, being the greatest hidden threat to social stability, the Chinese Government will insist on controlling any further expansion of the investment scale to achieve an economic "soft landing," as well as strictly curbing grain and agricultural capital goods price rises and actions that would drive up prices.

**2. It will open up the property rights [equity] market to attract overseas firms and foreign investment, while reorganizing and upgrading state enterprise property rights.** It will encourage foreign firms to buy some state enterprises, as well as welcoming the introduction of foreign capital to state enterprises for upgrading to shareholding. And it will allow some state enterprises that are sustaining severe losses and whose liabilities exceed their assets to go bankrupt in accordance with the law.

**3. It will extend preferential policies to poverty-stricken regions, providing them with more and better growth opportunities to replace the current subsidization measures.** Poverty-stricken regions must not be dependent on support without growth. Huge amounts of yearly support not only put enormous pressures on central finances, but also do not solve the basic problems of such regions. These problems can be systematically solved by the center, system pioneering, and modern national institutions.

#### **The Keynote of the Fourth Plenary Session Remains Stability**

In short, the keynote of this Fourth Plenary Session remains stability, with all measures being focused on and serving stability. So establishing sound social security and public welfare systems will also be a future work priority. But political reform will remain the same old tune in this Fourth Plenary Session, with no new ideas.

#### **Finance & Banking**

##### **Vice Finance Minister Discusses Funds Appraisal**

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[By reporter Zhang Jinsheng (1728 6930 4141)]

[FBIS Translated Text] Beijing, 22 Mar (XINHUA)—Vice Finance Minister Zhang Youcui, who is also director of the National Administration of State Property, said today: The goal of this year's assets and funds appraisal will be the production of "one consolidated sheet and two accounts"—the nationwide consolidated statement of assets and liabilities of state assets and the two accounts on total, structure, distribution, and efficiency of operational state assets and on total amount of state assets held by administrative institutions and their structure, distribution, and usage.

Speaking at news briefings for a national assets and funds appraisal work meeting, Zhang Youcui said that,

according to the State Council's overall arrangements, major tasks for assets and funds appraisal this year will involve the following six aspects:

- An all-round check on the number of state-owned enterprises nationwide and the compilation of enterprise code numbers to ensure thoroughness of the appraisal and create conditions for establishing a scientific state assets monitoring and management system;
- To conscientiously organize assets and funds appraisal for enterprises and organizations operating in foreign countries to secure basic information related to state assets in foreign countries so as to strengthen management of and monitor state assets held by enterprises and organizations operating in foreign countries;
- To evaluate land occupied by state-owned enterprises nationwide to gradually establish a standard price system for state land, to promote accurate assessment of state-owned enterprises' capital strength, and to strengthen management of land-based state assets;
- To further work on enterprises across the country that have yet to commence assets and funds appraisal in accordance with unified demands to ensure seriousness and thoroughness of the entire exercise and to ascertain the actual conditions of operational state assets;
- To verify the amount of assets held by legal entities to promote establishment of a standardized enterprise funds management system and full implementation of assets and funds appraising policies to gradually help enterprises solve problems as conditions permit; and
- To link up assets and funds appraisal data from different fiscal years to formulate a consolidated statement of assets and liabilities for state assets across the nation, with in-depth analysis on operational conditions of state-owned enterprises in various localities and under various departments to provide guidance for rational adjustment to both state macromanagement and macroeconomic structure.

Zhang Youcui pointed out: As a scientific and fact-finding attitude is required to carry out assets and funds appraisal, various localities, departments, and state-owned enterprises at various levels must reflect exposed problems in a seek-truth-from-facts manner to ascertain property rights according to facts and to facilitate assets revaluation. In the meantime, a strict work system should be established in appraising assets and funds, under which relevant leaders and responsible parties will be administratively held responsible for deliberate concealment or fraud, with units and individuals violating work discipline being liable to disciplinary sanctions according to the case's nature.

Zhang Youcui emphasized: Assets and funds appraisal should closely integrate with strengthening state assets management to avoid confusion after appraisal. Various

localities and departments should respond to problems exposed during the appraisal exercise by strengthening enterprises' grass-root management, by plugging the loopholes in time to prevent wasting state assets, and, in particular, by guiding enterprises to establish and improve various regulations and systems. In the meantime, proper analysis of data derived from assets and funds appraisal and further discovery of their connotations will provide guidance to macropolicy decisions and structural adjustments.

**Agricultural Bank Reports Increase in Loans**  
HK1904075495 Beijing CHINA DAILY in English  
18 Apr 95 p 7

[Article by Wu Yunhe: "Agricultural Loans Up"]

[FBIS Transcribed Text] The Agricultural Bank of China (ABC) and the rural credit cooperatives under it disbursed 60.4 billion yuan (\$7.2 billion) in agricultural loans during the first quarter of this year, the bank announced yesterday.

"During the January-March period the ABC and the rural credit co-operatives under it saw their loans to agricultural sectors increased 40 per cent from the same period a year ago," said Wang Lingling of ABC.

Since the start of this year when the central government called for nationwide attention to be given to the rural economy, the country's leading agricultural bank has earmarked the majority of its increased loans for agricultural production.

ABC's loans have been mainly used for infrastructure development in the countryside, spring-season ploughing and other field work related to grain and nonstable food production.

During the first quarter of this year Chinese farmers' enthusiasm has been fully propelled by the government's efforts in ensuring the increase in acreage of the country's grain and cotton farmland.

Their demand for bank loans have increased considerably. But, prices of agricultural production materials are also on the rise, ABC officials noted.

To answer to the government's call of attaching primary importance to agriculture, ABC plans to see its loans to the countryside increase 26.4 percent this year.

ABC's strengthened lending ability comes mainly from a significant increase of 267.2 billion yuan (\$32 billion) in personal savings last year.

ABC officials noted that big clients of their bank's agricultural loans include Heilongjiang, Jilin, Liaoning, Shandong, Hubei, Hunan, Guangdong provinces and Xinjiang and Inner Mongolia autonomous regions.

Farmers in the nine provinces and regions have borrowed more than 50 percent of ABC's money taken on by the country's farmers for agricultural production this year.

ABC, while sticking to carrying out its lending to traditional clients in the countryside, no longer will provide government-subsidized loans for production and purchase of farm and sideline products by the end of this year or soon after the year's end, said He Linxiang, vice-president of the bank.

During the 1995-2000 period, the bank will pursue a banking management policy according to a rational ratio of assets and liabilities, and make it more relevant to the government's efforts in developing a market-oriented economy and a commercial banking system as well in China, he added.

### Foreign Trade & Investment

**Trade Official Details Joint Venture Regulations**  
HK1904073695 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English  
19 Apr 95 p 6

[By Dede Nickerson in Beijing]

[FBIS Transcribed Text] China's Ministry of Foreign Trade and Economic Co-operation (MOFTEC) is to permit the establishment of joint-venture investment companies.

A ministry official confirmed the Provisional Regulations Concerning the Establishment of Foreign Invested Investment Companies would be made public within the next few days.

The regulations state that qualified foreign investors may establish limited liability companies in the form of a wholly owned entity or a joint venture with total investment of no less than US\$30 million.

Smaller players will not be able to establish such ventures as the regulations stipulate that all applicants that wish to set up such a venture should be capitalised at no less than \$400 million and should have already established ventures in China with actual invested, registered capital of more than \$10 million.

Applicants also should have received approval for three projects.

Foreign investors who have established enterprises in the production or infrastructure sectors with registered capital in excess of \$ 30 million are qualified to present their applications to the ministry.

If the foreign party wishes to form a joint-venture investment firm, the Chinese partner must contribute no less than 100 million yuan (about HK\$92 million).

According to the ministry official, the intention behind the original regulations was to provide a vehicle that would allow large multinational companies with significant investment in China to consolidate both their treasury and administrative activities.

But the regulations were conceived several years ago before the boom in direct investment and the large proliferation of China funds.

"It is now possible that these (new) regulations will allow direct investors who manage China funds to set up actual investment firms, a practice that has not been permitted and in theory should require the approval of the People's Bank of China (PBOC), the central bank," said a Chinese lawyer.

But it was highly unlikely that these new entities would be able to overtly or directly engage in financial services.

"If any such venture tried to engage in financial services without the expressed permission of the (PBOC), it would not be allowed," said an official at the bank.

"These regulations will cause some friction between the PBOC and (the ministry). While these new entities are not investment firms in name, they are in practice." What exactly is allowed and what is not remains somewhat unclear.

The recent flood of new regulations regarding foreign investment reflects an ongoing turf war among government agencies as to who controls specific sectors.

"It makes advising clients extremely difficult as many of the new regulations conflict with other laws and policies," said the Chinese lawyer.

John Kuzmik, a lawyer at White & Case, points out that these regulations do represent an evolving process in the structure of China's foreign investment.

In 1992, the ministry issued regulations that allowed foreign-invested enterprises to establish nonproductive holding companies or umbrella companies for the dual purpose of holding equity interests in other investment enterprises in China and providing services to affiliated enterprises in China, including technical training, limited distribution and marketing services.

"These measures were really intended for the convenience of direct investors that were contemplating investment in multiple joint-ventures and wanted to consolidate administrative functions," said Mr Kuzmik.

While it may not have been the ministry's intention, Mr Kuzmik and several other professionals acknowledge that there is scope for foreign parties, other than large multinationals with a solid presence, but including China funds to take advantage of the new rules.

The rules also stipulate a specific level of investment for a company to be considered an investment firm.

If the invested funds are directly invested in shares of an enterprise and account for 25 percent of its registered capital, then the enterprise will be regarded as operating under the investment firm.

#### Foreign Firms Involvement in Stock Market Limited

HK1804145295 Beijing ZHONGGUO XINWEN SHE  
in English 0844 GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (CNS)—Foreign investment firms are not allowed to directly involve in the stock market in the Mainland of China, said Xiao Yong, an official from the Ministry of Foreign Trade and Economic Co-operation (MOFTEC), when replying reporters' questions about the "Provisional Regulations on Running Foreign Investment Firms by Foreign Businessmen" announced yesterday.

When asked whether China's allowing those qualified foreign investors to set up investment firms in forms of solely foreign-funded companies or joint ventures in China means that foreign investors are allowed to involve in A Share market, Mr. Xiao, who is responsible for drafting the relevant regulations, said that it is not the case. The establishment of investment firms aims at attracting large-scale international capital and better management. Foreign-funded investment firms will not be allowed to directly participate in markets of A Share and B Share. On the one hand, relevant stipulations of the China Securities Regulatory Commission must be followed if those enterprises with investment of foreign investment firms want to be listed in A Share market. On the other hand, foreign-funded investment firms have to follow the "Provisional Regulations on Setting Up Foreign-Funded Shareholding Limited Companies" promulgated by the MOFTEC early this year if they want to invest in China's domestic enterprises listed in A Share market.

Mr. Xiao reiterated that the "Provisional Regulations on Running Foreign Investment Firms by Foreign Businessmen" have stated clearly that foreign-funded investment firms can be limited liability companies only. There is no indication that foreign-funded investment firms can involve in A Share market.

#### Laws, Infrastructure Improve Investment Environment

OW1804161395 Beijing XINHUA in English 1517  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—China's great efforts for perfecting its policies and laws and the huge investment in infrastructure in the past few years have greatly improved the investment environment in the country.

After 16 years of reform and opening up, China has become one of the countries enjoying the fastest economic development in the world. Meanwhile, the constant improvement in the people's living standard has made the country with the population of 1.2 billion the world's most attractive market.

Alassane D. Ouattara, deputy managing director of the International Monetary Fund, said here last week that

China's economy has quadrupled over the past 16 years, and the productivity gains have permitted substantial improvements in people's living standards. China's economy is getting steadily integrated with the rest of the world through rapidly expanding trade and investment inflows.

In his address to the 1995 China Summit, Ouattara said that China has successfully carried out fiscal and legislative reforms that have been welcomed by international investors, such as the introduction of a new tax system, the publication of the Budget Law, various tax laws and the law of the central bank. These have set a solid foundation for further reforms.

Incomplete statistics show that in the past 16 years China has actually used over 100 billion US dollars of foreign funds, with 220,000 foreign-funded projects established, of which 100,000 have gone into operation.

According to a prediction made by related departments, by the end of this century China's annual foreign trade volume will reach 400 billion US dollars-worth, and in the coming five years China's total imports will hit some 1,000 billion US dollars-worth.

To speed up the pace of using foreign funds, China has been making great efforts to improve its investment environment. In 1994 the country initiated the building of a socialist market economy system, successfully carried out a series of significant reforms in finance and taxation, monetary, foreign exchange and foreign trade, investment, price, circulation systems and some other aspects.

During the process of reform and opening up China has boldly drawn on the helpful experiences of other countries in building up the legal system for the market economy. Through concentrated legislative work, China has already formulated over 260 laws and relevant regulations, most of which are essential for standardizing the market economy, such as the Company Law, the Advertisement Law, the Product Quality Law, the Anti-Unfair Competition Law and the Consumer Rights Protection Law.

State Councillor Li Tieying said at the Summit that "a legal system of the socialist market economy which suits the reality in China, reflects the rules of the market economy, involves various legal fields and conforms with world practices, is taking shape and being perfected in this country."

China has also paid special attention to protection of intellectual property, with a series of powerful efforts made and initial results already achieved.

At the same time, the condition of China's infrastructure has been largely improved. Since 1985 the posts and telecommunications industry has been developing at an increase rate of over 40 percent every year, far surpassing the development speed of the national economy. The length of railways has grown from 48,600 km to 53,992

km in the past 16 years. Meanwhile, the number of civil airports has risen to 132 and the number of civil aircraft has reached 798.

By the end of last year the length of highways reached 1.1 million km, of which over 1,550 km are expressways; while the number of river and coastal ports exceeded 3,100, of which more than 900 are of the over-100,000-ton level.

Robert L. Crandall, chairman of American Airlines Inc., said that China's efforts in speeding up economic reform and opening the market have clearly displayed to the world its determination for unceasing advance.

Now foreign investors have increasingly come to appreciate the results China has achieved in improving its investment environment, and most of them have expressed satisfaction with the aspects of investment safety, interest on capital investment and working efficiency.

Horst Waesche, a member of the Board of Management of Hoechst A.G. Germany, said, "The opening-up and reform of China's economy has made it one of the world's most exciting markets in terms of available opportunities for foreign investment."

#### Value of Exports Increases in First Quarter HK1904065095 Beijing ZHONGGUO XINWEN SHE in English 1409 GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (CNS)—According to the statistics provided by the Customs Bureau, the value of exports for the quarter ending March 31, 1995 was 62 percent above that of the same period last year, while the value of imports was also up by 17 percent. Local experts are quick to point out that this is an abnormal growth which does not truly reflect the trend of development of China's foreign trades in 1995. Contrary to import which is estimated to grow steadily in mid-1995, China's exports were expected to grow only very slowly or even halt.

Experts again point out that there were no obvious factors that had stimulated significant growth in exports in the first three months of 1995. On the other hand, exports are beset by a number of adverse factors, which are more likely to affect China's exports later in the year. One of the main factors is that as the exchange rate of the yuan to US dollar is still on the rise, the competitive power of Chinese enterprises engaged in export trading is weakened. Moreover, as inflation is still rampant in China, the cost of exported products are pushed even higher, detrimental to sales. Moreover, the shortage of renminbi also makes life difficult for foreign export trading enterprises.

Compared with the extraordinary growth in exports, the value of imports has enjoyed an appropriate increase in the first quarter. As can be seen from the variety of imported products which cover non-staple agricultural

produce and raw materials for industrial use that have enjoyed a higher growth, they have in fact offset the problem of inadequate supply from local manufacturers and catered for the growing needs of industrial production. On the basis of domestic market demands and the exchange rate of the yuan, the aggregate growth in 1995 is expected to be 11.2 percent ahead of last year.

In conclusion, there will not be drastic growth in values of exports in the last three quarters of the year as experienced in the first quarter. One probable situation is that because of such extraordinary growth in the first half of the year, the speed of growth will slow down or even come to a halt in the second half of 1995. On the whole, the total value of exports in 1995 may rise above US\$121 billion which was achieved in 1994 while value of imports will be growing steadily, but the value of imports and exports are almost balanced.

#### **Microsoft To Open Shanghai, Chengdu Branches**

OW1904075495 Beijing XINHUA in English 0731  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—Microsoft, the global leader of the software industry, will open several joint ventures in China this year, according the corporation's representative here today.

Duh Jia-Bin, Microsoft PRC General Manager, disclosed that these joint ventures, which will specialize in software design and manufacture, will go into operation around August and September of this year, using Microsoft's investment of several million US dollars.

Preparations for two branches in Shanghai and southwest China's Chengdu city are well under way, and they are expected to open no later than the beginning of next year, said Duh.

Having introduced its products into the Chinese marketplace in the early 1980s, Microsoft set up its first office in Beijing in October 1992.

The corporation has 10 products for sale in China, and DOS and Windows have taken a dominant position in China's fledgling software market.

Founded in 1975, Microsoft has developed into the largest global software supplier, with 40 affiliates throughout the world.

#### **Goods Without Chinese Instructions To Be Banned**

OW1904103195 Beijing XINHUA in English 1013  
GMT 19 Apr 95

[FBIS Transcribed Text] Beijing, April 19 (XINHUA)—The sale of goods without instructions in Chinese will be banned from markets in Beijing as of May 1 this year.

Labels of goods imported from other countries or produced in foreign-funded enterprises in China will have to be translated into Chinese.

This is in line with international practices, said Lian Lian, director of the Beijing Municipal Technical Supervision Bureau.

Goods exported by China should also meet legal and market requirements of other countries, Lian added.

The new decision is also in line with stipulations set forth in the "Law on Product Quality", which provides that labels of all products give the product's name, date of production, and manufacturer's name and address in Chinese. Warnings are needed for potentially harmful products.

Many Chinese consumers have complained that it is inconvenient for them to buy goods which contain a label or manual in a foreign language.

Moreover, they have no idea what the name of the product is, where it was produced, or how to operate it.

#### **Foreign Firms Attract Job-Seekers in Liaoning**

OW1904041595 Beijing XINHUA in English 0313  
GMT 19 Apr 95

[FBIS Transcribed Text] Shenyang, April 19 (XINHUA)—Job-seekers in this industrial city of northeast China's Liaoning Province have started to shift their attention from some state-owned enterprises to foreign-invested ventures.

That was clearly demonstrated at a foreign-funded enterprises job-seeking fair which started here last week. More than 7,000 people came by noon on the day the fair was opened, as against a total of 3,000 visitors to the fair last year.

"The people's concept concerning jobs has changed," said Ji Yangzhou, a section chief with the Liaoning Provincial Talents Exchange Center. "As the 'iron rice bowl' at the state enterprises is no longer stable, many workers turn to foreign-funded ventures."

What he referred to as "iron rice bowl" was a guaranteed job the government provided for workers. At present, about one-third of the state-owned enterprises in the city are running at a loss and a dozen of them have declared bankruptcy.

Most of those coming to fair were young people like 22-year-old Miss Zhang, who filled 12 job application forms in the whole morning. "I confide in myself and hope that they will have confidence in me too," she said.

More than 1,300 foreign-funded enterprises had been established in Shenyang by the end of last year and the number of resident offices of foreign companies in the city reached 2,200.

During the fair, some 1,500 people are expected to find job opportunities at some 240 foreign-funded enterprises or agencies. All applicants are demanded to know some English and computer knowledge in addition to professions in their specialized fields.

**Dandong Fair Held on Border Economic Cooperation**

OW1804112495 Beijing XINHUA in English 0935  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—A business fair on border economic co-operation was held here today by Dandong, north China's biggest border city.

Located along the banks of the Yalu River and adjacent to ice-free Dadong Port in the northernmost part of China, Liaoning Province's Dandong Border Economic Co-operation Zone, covering an area of about 24 square kilometers, was approved by the State Council in 1992.

According to the organizers of the fair, the city is seeking economic co-operation to develop the zone with domestic and foreign investment totaling 700 million yuan.

Five projects are planned for the zone, including hotels, building projects in the business and tourist sections, infrastructure in the industrial and bonded warehouse areas and workshops and industrial land in the export processing zone.

As for natural conditions for development, according to the officials, Dandong is the best of China's 14 border economic co-operation zones.

**Agriculture**

**Minister Gives Speech on Early Rice Production**  
HK1904094095 Beijing NONGMIN RIBAO in Chinese  
24 Feb 95 pp 1, 4

[Speech given by Minister of Agriculture Liu Jiang (0491 3068) at the National Work Conference on Early Rice Production convened in Changsha, Hunan on 19 February; abridged by NONGMIN RIBAO: "Deepen Understanding, Do Solid Work in Advance, and Fight Well the Battle of Early Rice Production"]

[FBIS Translated Text] 1. Deepen Understanding and Strengthen the Urgency and Sense of Responsibility in Respect to Doing Well in Early Paddy Rice Production

The Central Economic Work Conference convened at the end of last year pointed out that the overall task in agriculture and rural economic work in 1995 will be earnestly grasping well the "rice bag" and the "vegetable basket," guaranteeing the effective supply of major agricultural and sideline products, guaranteeing the stable growth of peasants' income, and developing and bringing prosperity to the rural economy in an overall way. It also put forward specific targets for rural economic work over the year. Among these targets was one requiring that overall national grain production must exceed 910 billion jin. The party Central Committee and the State Council have assigned a high degree of importance to agriculture and rural economic work, and provided

strong leadership and excellent measures. Our Ministry of Agriculture will certainly seriously implement the various principles and policies of the central authorities on strengthening agriculture, will strengthen the sense of urgency and sense of responsibility in the work, firmly grasp it, stress solid work, and work hard to achieve good agricultural harvests this year and to entirely fulfil the various tasks of rural economic development.

In striving for good agricultural harvests this year, the most important aspect is to ensure that there is new development in grain production. This is the most important point to stress in this year's agricultural and rural economic work. The most prominent problem in our country's economic life last year was that there was an excessively high rate of inflation, with the price of goods rising 21.7 percent. This has become a major problem affecting the sustained, speedy, and healthy development of the national economy and social stability. The major reasons for the excessive rise in prices were the excessive scale of investment in fixed assets, excessively swift growth in consumption funds, and chaos in the circulation order. However, the fact that agricultural development has been lagging and, in particular, that in recent years grain production has basically stagnated and has been unable to keep up with the growth in social demand is also a major factor. Let us cast our minds back. In 1990, our country's total grain output was 892.5 billion jin. In 1992 and 1993, there were increases of 14.7 billion jin and 27.7 billion jin respectively, but in 1994 there was a drop in production of 23.8 billion jin, resulting in total output for that year being 3.3 billion jin lower than that in 1990. It can be said that grain production has been basically stagnant since 1990. However, the population has been increasing and consumption demand has been growing, and thus the grain supply-demand contradiction has become daily more prominent. If we do not swiftly push agriculture to a new higher level and in particular turn around the stagnant situation of grain production, it will certainly have an effect on overall national economic development and social stability. In this regard, we comrades of the agricultural sector must have a clear and sober understanding.

In order to strive for a rich agricultural harvest this year, and in particular to realize the goal of grain production of 910 billion jin, we must, from the beginning of the year, in a closely linked way, grasp every crucial link in production and fight every battle well. The ministry considers that in grain production this year it is necessary to earnestly do well in three campaigns: The first is the early paddy rice campaign; the second is the summer grain campaign; and the third is the autumn grain campaign. Plans for the year are set in spring, and in the south it is now the season for spring plowing and sowing preparation. The pressing task now is to do well in spring plowing and production, and do well in the battle for early paddy rice production, so as to lay a firm foundation for achieving year-round fine harvests in grain production.

Early paddy rice is an important first-season grain crop in our country, and it occupies an important position in

national, and especially southern, grain production. According to statistics over many years, although early paddy rice provides only about 10 percent of gross national grain output, and a quarter of national paddy grain output, in the eight southern provinces and regions it constitutes quite a large proportion of their grain output. For example, it provides about 45 percent of Guangdong and Guangxi's grain, and about one-third of the grain in Hunan, Zhejiang, Jiangxi, and Fujian. Why is it that we are giving prominent stress to grasping early paddy rice production this year? There are at least the following several reasons:

**First, grasping well early paddy rice production will be beneficial to balancing the grain mix structure.** Our country's grain mix structure was formed through history, and determined by natural, economic, and social conditions and people's livelihood practices.

If, between one year and the next, there are large fluctuations in the production volumes of the various grains, it will directly affect the grain mix balance, and affect the stability of market supply and demand. Paddy rice is one of the major grain varieties in our country. Usually, the annual area sown to paddy grain and its annual output constitute about 30 and 40 percent respectively of total national grain figures. It is also the basic food grain in a majority of areas in our country. Everyone may remember that 1993 saw a bumper harvest for grain. Why then did we see a quite great sustained increase in the price of grain beginning from that November? This also involved questions of relaxation of grain prices and dislocation between grain imports and exports. However, one of the major reasons was that in that year paddy rice saw a decline in production of over 17 billion jin, which included a 10.3 billion jin decline in early paddy rice production. The volume by which early paddy rice production declined constituted about 60 percent of the total paddy rice production decline. This resulted in a serious imbalance in the grain supply product variety structure. Last year, governments and agricultural departments at all levels expended a lot of energy on tightly grasping paddy rice production, and there was an increase in the area sown to paddy rice. However, because of natural disasters and other factors, there was still a reduction in output of close to 2.1 billion jin. Of this, reduced output of early paddy totaled 500 million jin. Over the last few years, owing to various factors, early paddy production has seen a steady decline, thereby becoming a major factor in the reduced output of paddy rice in our country and in the imbalance in the grain product variety structure. The year 1990 was the year which saw the highest output of paddy rice in our country, reaching 378.7 billion jin. In 1994, the figure was only 353.3 billion jin, a reduction in output of 25.3 billion jin, or 6.7 percent. Of this, early paddy rice saw a decline in output of 19 billion jin, 75 percent of the total reduction in paddy rice output. It is thus said that the major output reduction has been in paddy rice and the major output reduction in paddy rice has been in early paddy rice. Seen from the price rise

situation for grain in the market, the increase in the price of paddy rice has been far higher than that for other grain types. Thus, if we are to break through the stagnant situation in grain production at present, the crux lies in pushing paddy rice forward. And the crux within this crux is early paddy rice. By developing production of early paddy rice, the contradictions in the product variety structure of grain supply will be greatly alleviated.

**Second, grasping well the production of early paddy rice will be beneficial to regional balance in grain in the southern areas.** The south is a major grain production region in our country, and in particular is the major paddy rice-growing region. The 14 provinces (regions, cities) of the south plant 94 percent of the area sown to paddy rice throughout the country, and their output is 92 percent of the national total. In the past, there was the saying "when Hunan and Guangdong harvest their grain, there is sufficient for the whole empire." This shows the important position of the southern areas in national grain production. However, over the last few years, the superiorities of grain production in the south have been gradually weakened, and its position has been gradually declining. This is particularly so of the southeast coastal areas, which have seen an annual reduction in the area sown to grain. The gross output has declined, the amount they have been able to send out has also declined, and the amount sent into these areas has increased. The regional contradictions between grain-producing areas have become daily more prominent, and have already become a point of stress and a difficulty in regional balance for grain throughout the country. According to our analysis, comparing 1993 with 1990, the area of land sown to grain in the 14 provinces (regions, cities) in the south fell by over 42 million mu, and output was reduced by over 16 billion jin. In 1991, the amount of grain transferred into the six southeast coastal provinces (regions) was 9.1 billion jin, but by 1993 this had reached 20.6 billion jin. In 1994, the figure will probably have exceeded 30 billion jin. This is very closely linked with the fact that some provinces have greatly reduced the area of land sown to the two seasons of paddy rice, resulting in a decrease in paddy rice output. Comparing 1993 with 1990, the area sown to paddy rice throughout the country fell by over 40 million mu, and output fell by over 25 billion jin. Of this, there was a reduction of over 21 million mu sown to early paddy rice, with a consequent reduction in output of close to 20 billion jin. Thus, the key to resolving the regional supply-demand contradiction in rice in the southern region is to restore early paddy rice production. Only if there is an increase in the area sown to early paddy rice and an increase in production will we see an improvement in the situation whereby the southern areas lack grain.

**Third, grasping well early paddy rice production will be beneficial to stabilizing state commodity grain sources.** Seen from both historical experience and current realities, our country's grain problem is, in the end, a commodity grain problem. Only if the state has sufficient commodity

grain will there be the basic conditions for guaranteeing the livelihood of urban residents and guaranteeing social stability. Seen from the situation in recent years, in arranging for the needs of urban residents and grain for social use, the state annually needs to procure at least 180 billion jin of commodity grain. Early paddy rice has always been the main commodity grain in the southern regions and, according to statistics, in 1992, of the 100 billion jin of grain purchased through order, early paddy rice constituted 17 percent. This was 56 percent of grain purchased through order in the southern regions. If there is a decrease in output of early paddy rice, the first thing to be reduced will be commodity grain. If there is an increase in production, there will be a corresponding increase in commodity grain. Thus, increasing production of early paddy rice will have a positive significance in stabilizing state commodity grain sources, in keeping grain prices low, and in checking inflation.

**Fourth, doing well in early paddy rice production will be beneficial to increasing the area sown to grain and raising the multiple-cropping index.** Our country has a large population and little land, and the per-capita area of cultivated land has already dropped from the figure of 2.7 mu in the early period after liberation to currently less than 1.3 mu. In many of the southern provinces the per-capita area of cultivated land has dropped to less than 1 mu. Seen from the current trends, it will be impossible to turn around the trend of reduction in cultivated land. If we are to guarantee the stable growth of grain, the only avenue is to reform cropping systems, raise multiple-cropping indexes, and improve per-unit output levels. The south has sufficient warmth, water, and light and it is the area with the greatest potential for increasing multiple-cropping. Apart from developing winter fallow fields and developing winter agriculture, an important avenue is to develop double-cropping of paddy rice. This is necessary, the conditions are there, and we have the experience. Expanding the planting of early paddy rice and developing double-cropping of paddy rice is the way to increase the multiple-cropping index. In respect of developing double-cropping of paddy rice, while we have lessons from the 1970's, when there was blind expansion of the area double-cropped and development without concern for conditions, it was inappropriate for those areas which possessed the conditions to excessively reduce the area double-cropped with paddy rice. At the same time, in grain production, we need to look at the overall situation and we need to understand the situation from the high plane of increasing overall supply of grain and guaranteeing social stability. Thus, I believe that those areas with the conditions must strongly develop double-cropping, and do well in planting sufficient early paddy rice. In this way it will be possible to both increase grain output and increase the income of peasants.

**Fifth, doing well in grasping the production of early paddy rice will be beneficial to guaranteeing the realization of the target of increasing grain output by 100 billion jin by the end of this century.** Increasing our grain production

capacity by 100 billion jin by the end of this century is a necessity for our country's overall economic development and for improving the level of the people's lives. It is also an important task for agriculture and rural economic work over the next few years. In this respect we already have some initial plans. According to these plans, of the three major grain products, paddy rice should see an increase of 28 billion jin. It will be difficult to achieve this target, but there is some potential and the potential is greatest in early paddy rice. If production of early paddy rice can be restored to the 1990 level, it will be possible to increase production by close to 20 billion jin, about 70 percent of the overall proposed increase in paddy rice. Seen from the area sown to early paddy rice, if we are able to expand this by 20 million mu to restore the 1990 level of 140 million mu, calculating on the basis of per-unit output of 700 jin, it will be possible to increase paddy rice output by 14 billion jin. Seen from per-unit output, the 1994 figure for early paddy rice was 45 jin less than the 1990 figure. If we are able to restore this to the 1990 level, it will be possible to increase production by over 5 billion jin. Thus, in increasing the output of paddy rice by 28 billion jin by the year 2000, early paddy rice shoulders a heavy burden, but has the conditions to shoulder this heavy burden.

From the above analysis we can see that putting efforts into improving early paddy rice output as quickly as possible not only has immediate significance for alleviating the current pressure on grain supply, increasing effective supply, and curbing inflation, but will also be important in terms of the long-term development of grain production.

## 2. Grasping the Opportunity and Being Strongly Resolute in Improving Early Paddy Rice Output

Seen overall, the agricultural output situation this year is quite good. The situation is better than last year and better than expected. We have a rare opportunity and conditions for developing early paddy rice output.

First, party committees and governments at various levels have assigned a high degree of attention to agriculture, and have stressed grain production. Last year, the central economic work conference further stressed the need to strengthen the basic position of agriculture, and all areas and all departments vigorously implemented this work, took all sorts of action, and did much in terms of increasing agricultural input. Throughout the country at all levels there appeared a zealous atmosphere where agriculture was vigorously promoted and where all trades and industries supported agriculture. Last year there was a strong recovery in early paddy rice in Hunan Province and this year their determination is even stronger. They have taken as their breakthrough point the aim of "having the per-unit output yield of early paddy rice exceed that of late paddy rice" in order to invigorate grain production in Hunan. This year the provincial party committee and provincial people's government publicized in advance a notice putting forward

six policies to support grain production. The comrades in Hubei Province responded and this year the first "red-letterhead documents" of the provincial party committee and provincial people's government, the first provincial party standing committee meeting, the first business meeting of the provincial governor, the first on-the-spot work meeting, the first radio and television meeting and the first village investigation visit by major provincial party leaders all related to studying agriculture and making arrangements for agriculture. Speaking overall, party and government leaders at various levels have given a high degree of attention to agriculture. They have also personally grasped agriculture and provided powerful leadership conditions for realizing a good agricultural harvest this year. This has also greatly strengthened the confidence and determination of our Ministry of Agriculture in grasping agriculture and particularly grain production this year.

Second, all areas have adopted some feasible and practical policies and measures. For example, Zhejiang Province has established a grain work responsibility system graded by level and, in accordance with the principle of "unified leadership, graded responsibility by level, management by level, and allocation and transfer by level," transmitted grain tasks in terms of "guaranteeing overall volumes, guaranteeing purchase orders, guaranteeing allocation and transfer, and guaranteeing supply" to the various cities and counties. It has also formulated seven policy measures for grasping well agricultural production this year. At the same time, they have continued to implement the policy of raising prices for grain purchase, with the price for every 50 jin of purchase order grain being raised by 3.74 yuan. They have implemented the policy of linking grain and fertilizer, with 8 kg of urea being provided at a controlled price for every 50 kg of purchase-order grain supplied. After the price rise for electricity this year, they continued to implement the policy of providing the same volume of electricity for irrigation and drainage at a fixed price, with each kWh being charged at 0.31 yuan. They also made special arrangements to provide at a preferential price 4,000 tons of agricultural plastic film for grain and cotton production. Guangdong Province has continued to implement the policy of a guaranteed price of 70 yuan for every 100 jin of early paddy rice and has firmly implemented the system of grain inspection and appraisal work. At the same time, it has further strengthened input in grain production and decided that from 1995 onward science and technology input costs will constitute one-third of all financial input into agriculture. The province's financial administration has also set aside a further 50 million yuan annually for use in developing fine strains and propagating the establishment of systems. This year, Jiangxi Province has been very resolute in grasping early paddy rice production, and on the basis of expanding the area sown by 600,000 mu last year, this year it is planning to expand the area by a further 500,000 mu. In order to fully complete early paddy rice production tasks this year, at the same time as

continuing to implement the policy of supporting grain, it is firmly implementing the major technical measures of expanding the area sown to hybrid early paddy rice and cultivating robust seedlings. This year it is planned to expand the area sown to early paddy rice hybrids to 6 million mu, an increase of 1 million mu as compared to last year. This will constitute 30 percent of the area sown to early paddy rice. There will be 4 million mu of early rice seedling beds, an increase of 2.8 million mu as compared to last year.

Third, stimulated by market prices, peasants have an enthusiasm for planting grain. The agricultural problem, and especially the grain problem, is, in the end, a problem of benefits. Over the last few years, because the market price for early paddy rice has been very low, the enthusiasm of the peasants for production has been greatly dampened. Today, as domestic grain demand is great and the market is flourishing, there is no worry about selling grain and no worry about selling it at a good price. This has had a great promotional effect in getting peasants to plant grain. Everyone has noted that because of the promotional effect of market prices and the increase in peasant incomes last year, the mood of peasants for developing grain production is good, their vigor is great, and they are highly enthusiastic. This is mainly manifested in an increase in the area sown and a readiness to plant early paddy rice. Many peasants have the intention of expanding the area they sow to early paddy rice, to switch from a single paddy rice harvest to double-cropping of paddy rice, and to switch land sown to poor-return economic crops to planting early paddy rice. In many areas the peasants are starting work even before the fifth day of the first lunar month (in the past, peasants would not start work until the 15th day of the first lunar month), and they are carrying out the spring tasks for their summer oil-bearing crops, repairing the irrigation ditches between fields, preparing seeds, getting seedling beds ready, buying fertilizer, repairing their agricultural tools, increasing input for production, doing all preparatory work for spring plowing, and making all efforts to ensure good harvests throughout the year.

Fourth, various areas have accumulated some experience in grasping early paddy rice production. One of the reasons for the decline in early paddy rice production was that there was a lack of fine high-output strains. In addition, the readjustment of the planting mix had affected the per-unit output yields and quality of early paddy rice. In some paddy fields in the south, the planting model is winter planting (rape and green manure plants)—early paddy rice—double-cropping with late paddy rice. Thus, there are three harvests in one year. In seasonal terms, the production of early paddy rice is, in a sense, done in a situation where "ahead there is an interception, and behind there are pursuing troops." Thus, in terms of the seasonal arrangements for early, middle, and late crops, there are many different strains of grain used in the early planting, which affects the per-unit output and quality of the early paddy rice. In response to this problem, in recent years various areas

have summed up their experiences and adopted some targeted technical measures. For example, in terms of improving paddy rice strains, they have developed some strains and combinations which produce quite high yields, ripen at the right time, and produce good quality rice. In terms of planting technology, there have also been some very good experiences and methods. For example, they have implemented dry raising of seedlings, the use of plastic film to raise seedlings, the tossing of seedlings [pao yang 2141 4441], and chemical controls. It is particularly worth pointing out that, in the situation in recent years, where there has been, in national terms, a continual decline in the area sown to early paddy rice and a decline in the level of per-unit output, in Guangxi there has been quite a big increase in the per-mu output of early paddy rice. In 1990, the per-mu output of early paddy rice in Guangxi was 705 jin, 27 jin lower than the national average.

By 1993, the per-mu output of early paddy rice in Guangxi had reached 740 jin, 51 jin higher than the national average. The main reason for this is that Guangxi has planted hybrid early paddy rice widely, and the area sown to such hybrids rose from 9.78 million mu in 1990 to 11.88 million mu in 1993, an increase of 2.1 million mu. The area sown to hybrids thus constituted 63 percent of the area sown to early paddy rice. This has effectively raised the per-unit output of early paddy rice, and their experiences are worthy of study by others.

Speaking overall, this year's preparations for spring planting are better than last year's. The circumstances are good, the policies are good, and the market is buoyant. We must cherish this good situation, grasp this good opportunity, and develop the favorable situation. This year, the overall guiding ideology and requirements for early paddy rice production are: The early paddy rice-producing areas in the south must restore the areas sown to early rice, raise per-unit output, improve quality, and increase total output. In the light of the changes in the area sown to early paddy rice and per-unit output in recent years, and in accordance with the situations of the various areas, the target we have put forward for early paddy grain production this year is "3-3-5." That is, per-mu output will be raised by 30 jin, the area sown to early paddy rice will be expanded by 3 million mu, and the overall output will be increased by 5 billion jin. It is hoped that all provinces and regions will, in accordance with these targets and in the light of their own situations, pass down these targets and tasks level by level and fully implement them. We, the Ministry of Agriculture, will grasp the opportunity, take advantage of the situation to push forward, take early paddy grain production as our major campaign in annual grain production, do solid and down-to-earth work, and strive to realize this year's early paddy rice production targets.

### 3. Adopting Powerful Measures and Grasping This Year's Early Paddy Rice Production in a Solid and Down-to-Earth Way

The prospects for early paddy rice production this year are more favorable than for many years, but there are

still many difficulties to be faced. According to what people have indicated, the major problems are a major shortage of chemical fertilizer, a shortage of early rice hybrid seeds, and difficulty in achieving the sown area requirements. At the same time, according to estimates by relevant departments, because of the effects of the El Nino phenomenon in the Pacific Basin, this year natural disasters may well be quite frequent, and in spring it is possible that we will see low-temperature weather. Thus, if early paddy rice production is to achieve a breakthrough, measures must be strengthened, work must be stepped up, and, basing ourselves upon grasping the work early, tightly, and realistically, we must stress the "four full implementations."

First, we must grasp well the full implementation of the planned area to be sown to early rice. Seen from the situations advised of by various areas, while most areas are seeing a trend of increase in the area sown to early paddy rice, it is still only planning arrangements, and many areas have not assigned these tasks to the peasant households. If we are to convert government plans into peasants' actions, so as to truly implement the plans, much work still needs to be done. 1) There is a need to step up propaganda and guidance. In coordination with spring planting preparations, all areas need to grasp well propaganda activities in respect of early rice production through television, radio, and publications, so as to guide peasants in expanding the planting of early paddy rice. At present, many cadres and peasants are worried about whether producing more early paddy rice will result in its being difficult to sell the rice grown. According to our analysis, this concern is unnecessary. Seen from the consumption demand for paddy grain, our country sees a population increase of over 15 million people annually, and every year in the south there is a floating population and immigrant workers totaling over 20 million. Also, the development of the animal husbandry industry is making increasing demands on early paddy rice. Seen from the production angle, over the last few years the area sown to early paddy rice in our country and the amount of such grain produced have both declined by a large degree, and this year is a recovery period. At the same time, there is a need to have a correct understanding of the rice quality problem. Seen overall, because of the restrictions of production conditions, the quality of early paddy rice has been a little inferior to that of late paddy rice. However, today there are a number of strains and combinations which are of quite good quality. Also, through improved cultivation, it is possible to improve quality. At the same time, through developing paddy grain for fodder and organizing production in accordance with grain use, it will be possible to resolve the problem of fodder shortage in the south. Thus, even if early paddy rice production increases by billions of jin or even 10 billion jin, the situation of its being difficult to sell grain will not occur. 2) It is necessary to establish responsibility systems level by level. Last year, through establishing a grain work examination and appraisal system, the Guangdong Provincial

Government assigned areas to be sown to grain level by level to cities and counties. This played a very good role in supervising and urging governments at each level to grasp well early paddy rice production. This year, we are putting forward the "3-3-5" target for early paddy rice production, in the hope that all areas will firmly grasp well the planting of the areas assigned.

Second, it is necessary to grasp well technical measures and ensure their full implementation. The decline in early paddy rice production is linked with the low rate of propagation of technical measures, the lack of breakthroughs in planting technologies, and the extensive method of cultivation, and this has affected the output level of early paddy rice. Now, all areas have quite mature experiences in grasping early paddy rice production technologies. The key lies in strengthening their propagation and developing activities whereby diverse forms are used to achieve high output. There is a need to fully bring into play the role of agricultural science and technology propagation service systems, to develop technical training for peasants, and to increase the range over which advanced and appropriate technologies are implemented. This year the focus will be on grasping three breakthrough points: 1) It is necessary to achieve early breakthroughs in terms of strains and particularly in terms of hybrid early paddy rice. The per-mu output for hybrid early paddy rice is more than 100 jin higher than that for standard paddy rice, but at present there is a lack of early rice hybrid seeds. All areas must do well in terms of early rice hybrids, regulate the supply of rice seedlings to various areas, and economize on the use of seeds and seedlings. At the same time, they must expand the planting of high-output, high-quality early paddy rice strains, and improve the quality of early paddy rice. 2) It is necessary to achieve breakthroughs in terms of cultivating strong seedlings. A popular saying is that "if the seedlings are good, one will have rice in half a year." Cultivating strong seedlings is the basis for high output. The cultivation of strong seedlings and sufficient seedlings will promote the early maturation of the seedlings, will guard against the death of seedlings, and will guarantee the area to be planted. All areas must strongly promote all kinds of effective techniques for raising strong seedlings, such as speedy inducement of sprouting, guarding against cold and ensuring warmth, and dry raising of seedlings. Practice has shown that dry raising of seedlings and sparse planting as well as tossing seedlings are successful methods in raising per-unit output. All areas must, on the basis of doing well in terms of demonstrations, centralize their strengths, be highly resolute, and greatly expand the areas over which techniques are practiced. 3) It is necessary to achieve breakthroughs in terms of guaranteeing the number of plants following transplantation. In recent years, following the outflow of strong labor from the growing areas, the early paddy rice has been transplanted quite sparsely, and there has been a decline in the number of plants. This has affected output. The Ministry of Agriculture must go deep down among the peasants at the grass-roots level and help

them to operate in accordance with technical procedures, so that they can restore and promote transplanting in properly arranged rows, which will result in rational density and guarantee an appropriate number of plants.

Third, it is necessary to ensure full implementation of goods and materials supply arrangements. Seen from the situations advised of by various sides, in the spring plowing and early paddy rice production this year, there is a lack of hybrid paddy rice seeds, while chemical fertilizers and other agricultural means of production are in short supply as well as expensive. Agricultural departments in all areas must take the initiative in coordinating with other relevant departments to do well in linking up the supply and provision of goods and materials for agricultural use, so as to guarantee the needs of spring planting and early paddy rice production. Agricultural departments at all levels must do well in seed supply and in regulating seedling supply in different areas. They must stress strict supervision at all levels, strengthen operational management and supervision, and strictly guard against fake and low-quality seeds by which peasants are cheated and harmed. Targeting the tight supply situation in terms of goods and materials for agricultural use during this year's spring planting period, agricultural departments at all levels must strongly propagate techniques such as mixed-fertilizer application and deep application of chemical fertilizers, so as to improve the utilization of chemical fertilizers. At the same time, it is necessary to mobilize the peasants in a timely way to store and utilize farm manure and to strengthen green manure cultivation and management, so as to increase soil fertility and make up for the insufficiencies of chemical fertilizers.

Fourth, it is necessary to ensure that measures for fighting natural calamities are fully implemented. During the period of early paddy rice production, unusual weather frequently occurs. Seen from the situations in recent years, almost every year there have been calamities during the early paddy rice production period. In 1991, there was flooding and waterlogging in the Jiangsu and Huai He areas. In May and July 1992, there were low temperatures. In July 1993 there were unseasonal high temperatures. In 1994, southern China and the Jiangnan region suffered serious flooding. All of these elements quite strongly affected the output of early paddy rice. In addition, early paddy rice diseases and insect pests have also been very serious. According to estimates by the National Plant Protection Headquarters, this year's early rice will see a medium-level threat from diseases and insects. Banded sclerotial blight will be quite serious in the South China and Jiangnan areas. Rice blast will occur in those strains most susceptible to disease. Plant hoppers will affect early rice to a greater degree than in the previous two years. Also, according to estimates by meteorological departments, this year will see quite serious natural disasters. "If one guards against all possibilities one will be successful, if one is not on guard one will suffer." All areas must do well in preparing ideologically for fighting against natural disasters,

and fully implement measures for guarding against and fighting natural disasters. In particular, efforts must be stepped up in the area of cultivation and farming techniques, so as to promote the early maturing of the seedlings and their early greening, and to guard against low temperatures and the rotting of seedlings. At the same time, it is necessary to do well in the work of early warning of plant diseases and insect pests and in action to deal with such problems, so as to guard against large-scale disasters.

Seen from the long term, if we are to promote paddy rice production, and make further contributions to increasing output of paddy rice by 28 billion jin by the year 2000, we must take as our breakthrough point the placing of major stress on early paddy rice. It is necessary to link up scientific research, education, production, and propagation departments, establish a breakthrough co-ordination group, centralize resources, increase speed, and organize breakthroughs in terms of selection and breeding of new paddy rice strains (or combinations). Then, through speedy experiments, demonstrations, assessment, breeding, and propagation, it will be possible to raise paddy rice production to a new stage.

Spring planting preparatory work has now begun throughout the country, and Hainan, Guangdong, and Guangxi have already begun raising rice seedlings. Agricultural departments in all areas must, with a strong sense of urgency, do well in the various kinds of preparation work for spring planting. They must stimulate thinking at an early date, provide technical training at an early date, ensure that goods and materials are available at an early date, and implement measures at an early date. Last year, the area planted during autumn and winter was expanded, sowing went well, and the overall situation was quite good. However, since last year, temperatures have been quite high, and wheat and oil-bearing seedlings saw strong growth. All areas, at the same time as grasping well the preparatory work for early paddy rice, must also do well in field management for winter crops, in accordance with local situations, and promote crop improvement, so as to strive to realize good summer harvests in grain and oil-bearing crops. At the same time, it is necessary to guide the peasants correctly in properly readjusting their production mixes, so as to ensure that there is stable development of the major agricultural products, with grain and cotton as the major crops. In respect of spring planting and production, all areas must select a group of cadres and technical backbone personnel to go to the front line of production to assist the areas to make proper arrangements for spring planting and production, to advise the peasants about the importance of grain and cotton production, to seriously ensure that the areas to be sown to grain and cotton are sown to these crops, and to help the peasants resolve real problems in production.

The year 1995 is a crucial year in the completion of the Eighth Five-Year Plan, and while agriculture has an opportunity for development it also faces serious challenges. It is hoped that agricultural departments in all

areas will do solid work and do well in the battle for early paddy rice production and will strive to achieve a good harvest in early paddy rice and a good harvest in all grains. They should all make contributions to the overall development of the rural economy, and promote the sustained, speedy, and healthy development of the national economy.

#### Ministry Combats Fake Agricultural Capital Goods

OW1804124295 Beijing XINHUA Domestic Service in Chinese 0950 GMT 7 Apr 95

[FBIS Translated Text] Beijing, 7 Apr (XINHUA)—It is now the spring farming season. The Agriculture Ministry and State Administration of Industry and Commerce have taken measures to improve the management of the chemical fertilizer, insecticide, and seed markets so as to ensure good quality of these products; protect the peasants' interests; and ensure normal agricultural production. They recently issued a circular calling on all localities to inspect the chemical fertilizer, insecticide, and seed markets; improve the management of the agricultural capital goods market; and make greater efforts to combat fake products.

The circular says: All localities should conduct a general inspection of agricultural capital goods, with emphasis on chemical fertilizers, insecticides, and seeds, during the spring farming period. The agricultural departments and administrative organs of industry and commerce should strengthen their leadership over the inspection; make careful, unified arrangements; actively cooperate with technical supervision, commodity price, and meteorological departments; overcome interference from local protectionism; and formulate measures according to local conditions. It is necessary to use the news media to unmask and expose inferior and fake commodities. The inspection should focus on the origins of inferior and fake goods.

The circular says: All localities should rectify the marketing channel and maintain a normal order of the agricultural capital goods market. Enterprises under the agricultural department should examine themselves and exercise strict quality control. The agricultural departments at various levels should cooperate with the administrative organs of industry and commerce and other relevant departments in inspecting agricultural capital goods. It is necessary to strictly examine the registration and improve management of agricultural capital goods producers. It is necessary to seriously investigate and handle cases of producing and selling inferior or fake agricultural capital goods.

#### Official Says Farmers To Live Better

HK1904090995 Beijing CHINA DAILY in English  
19 Apr 95 p 4

[Article by Fu Jian from the "Opinion" page: "Farmers Growing Better Lives"]

[FBIS Transcribed Text] A third of Chinese peasants will be living better by the end of this century as China implements its town modernization project.

It intends to assist more than 10,000 towns nationwide in improving their design, infrastructure and house appliances, as well as the location of industrial, commercial and residential facilities.

"The programme aims to improve the living standards of rural residents and relieve large cities of problems caused by the large influx of rural residents," said Ouyang Xiang, a Ministry of Construction official. The ministry is responsible for implementing the project.

The flow of rural labourers into cities first began following improved farm productivity and relaxation of immigration restrictions under economic reform. However, this freedom of movement has exerted heavy pressure on the nation's transportation system, city appliance installation, public service and employment areas.

But back in the countryside some township enterprises have prospered, enhancing the lives of many rural residents and bolstering their desire for even better living conditions.

Traditionally, Chinese towns are not well designed or constructed. Rural residents usually expand their village and towns impulsively and haphazardly.

Their houses usually spread across large areas and are improperly built without professional design. Only 30 percent of these houses rate high in building quality, according to the Construction Ministry.

"Considering that 80 percent of the Chinese population, or 900 million people, are still living in rural areas, we decided that township construction and modernization is the best way to satisfy them and make them feel it's unnecessary to move into the cities," said Ouyang.

The ministry started sketching out the project last year and began implementing it this year. Programmes are designed to match each area's unique economic circumstance.

Towns in the six most-developed coastal counties of southeastern China have been selected to experiment in this modernization plan on the basis of their highly-developed economies.

Suburban areas around Beijing and Tianjin in North China have been chosen to develop models for suburban towns. Agricultural-based township construction is planned for the boundary between Hubei and Henan, two grain-producing provinces in Central China.

Besides these six counties and two areas, the ministry also will conduct trials in 500 towns covering different economic situations nationwide.

Provincial, prefectural and county-level governments also will arrange similar projects in about 10,000 towns. By 2000, this "625 Project" should modernize about 25 per cent of the more than 50,000 towns nationwide.

"The work of the Construction Ministry focuses on instructing the towns on their design and construction so that it can better suit and promote local economic development," Ouyang said.

The ministry will help more than 500 experimental towns decide which industries to develop, population density, the location of enterprises, commercial sections and residences, and the arrangement of public installations.

"Long-term development of the towns will be taken into consideration to preserve enough room for their future expansion," said Ouyang.

Concrete requirements also will be issued governing construction quality of the buildings.

Land must be used reasonably and responsibly to prevent construction from hindering agricultural production.

Ouyang said relevant systems must be established or reformed to steadily promote township construction.

Specific regulations should be made available to enable rural residents moving to towns to obtain proper registration. Traditionally this was granted only to urban residents.

Medical and unemployment securities systems should be established to guarantee township residents stability.

#### China Reports Important Agroscience Achievements

SK1904083695 Beijing XINHUA Domestic Service in Chinese 1450 GMT 12 Apr 95

[By reporter Yang Ning (2254 1337) and correspondent Yu Jian (0151 0256)]

[FBIS Translated Text] Beijing, 12 April (XINHUA)—As was learned from the State Science and Technology Commission, China scored significant achievements in tackling key difficulties in agricultural science and technology for the Eighth Five-Year Plan period. To date, China's agricultural scientific and technical personnel have cultivated over 500 new strains of crops, showing notable achievements in increasing production. Fifty-two comprehensive regional economic development experimental zones have been established in medium- and low-yield localities, which set an example in the economic development of medium- and low-yield localities.

In view of China's agricultural production featuring low technological level, little cultivated land, and a large proportion of medium- and low-yield farmland, relevant state departments have strengthened the cultivation of fine strains of crops and the overall improvement of

medium- and low-yield farmland during the Eighth Five-Year Plan period. Some achievements have produced important social and economic benefits.

After the "Yangmai no. 5," a new strain of wheat that won the first prize of the state award for scientific and technological progress during the Seventh Five-Year Plan period, the agroscience institute in the Lixiahe area of Jiangsu Province again succeeded in cultivating a new wheat strain "Yangmai no. 158" during the Eighth Five-Year Plan period, which is far superior to the "Yangmai no. 5" in output, quality, and resistance. This strain has been planted on an experimental basis in Jiangsu Province for two years, and shows an average per-mu yield which is 14.27 percent higher than that of the "Yangmai no. 5" strain. Planted in Anhui experimental zone, the "Yangmai no. 158" showed an increase of 20.3 percent in production than that of the "Yangmai no. 5."

The "Zhongmiansuo no. 19," a new strain of cotton cultivated by the Cotton Institute of the China Academy of Agroscience in Anyang of Henan, features high output, good quality, and resistance to fungus disease, cotton root rot, cotton bollworm, and aphid. Its growth period ranges from 128 to 130 days, and it is suitable for interplanting with wheat and for planting in spring. Experts hold that this achievement will have an important influence on increasing China's cotton production.

Thanks to the efforts to tackle key scientific and technological difficulties in the first three years of the Eighth Five-Year Plan period, the areas along Huang He, Huai He, and Hai He achieved notable results in economic,

ecological, and social benefits. Compared with the Seventh Five-Year Plan period, the average per-unit yield of grain has grown by 15.7 percent, forest and tree coverage 3.15 percent, irrigation water utilization rate 7.5 percent, nitrogenous fertilizer utilization rate 4.4 percent, the proportion of animal husbandry in agriculture 7.13 percent, the commodity rate of farm products 12.4 percent, and peasants' per-capita income 29.7 percent. The Longwanghe experimental zone located in the Heilonggang area has also established a water-saving, high-yield, and high-efficiency cultivation technology system for water-saving winter wheat whose per-mu yield reaches 1 tonne. This has far-reaching significance for China in producing water-saving, high-yield, and high-efficiency wheat and in promoting grain production to a new height. In addition, according to incomplete statistics, over 200,000 agrotechnical personnel have undergone training during the Eighth Five-Year Plan period.

Songnen-Sanjiang Plain made efforts to tackle the natural calamities which had seriously affected agricultural production and development, such as floods, waterlogging, and drought, the salinization and desertification of large areas of soil, the deterioration of black earth, the imbalance between the conservation and use of land, the decrease in land fertility, the single-crop pattern of farming, and the irrational distribution of natural resources. It has achieved 76 technologies that can be disseminated in the experimental zone. The experimental zone has registered an increase of 59.2 percent in average per-mu yield of grain and soybeans, an increase of 71.5 percent in economic efficiency, and an increase of 110 percent in per-capita income.

**North Region****Hebei Secretary Speaks at Congress Closing**

SK1704132495 Shijiazhuang HEBEI RIBAO in Chinese 1 Mar 95 pp 1, 3

[Speech by Cheng Weigao, secretary of the provincial party committee, at the conclusion of the third session of the eighth provincial People's Congress on 27 February: "Make 1995 a 'Year of Implementation' That Is Devoted To Doing Conscientious and Solid Work"]

[FBIS Translated Text] Having satisfactorily fulfilled all the predetermined tasks, the third session of the eighth people's congress of Hebei Province is about to close. First, let me extend my warm congratulations on the successful convocation of this session on behalf of the provincial party committee!

Because 1995 marks the crucial period to accomplish the Eighth Five-Year Plan and to prepare for the Ninth Five-Year Plan, we are faced with extremely arduous tasks. To conscientiously implement the party's line, principles, and policies, to fulfill the various tasks defined by the provincial party committee, the provincial government, and the third session of eighth provincial people's congress, in line with the guidelines of the instruction on paying close attention to implementation that has been repeatedly stressed by Comrade Jiang Zemin recently, the provincial party committee and the provincial government have already designated 1995 as a "year of implementation" in order to mobilize party committees, governments, and cadres at all levels, leading cadres in particular, to truly change the style of work, conscientiously do solid work, devote themselves to implementing major policies, and energetically develop reform, opening up, economic construction, and various other undertakings even faster and better. Meanwhile, through this "year of implementation," a set of good systems that can ensure the implementation of major policies should be established gradually, and a good atmosphere of conscientiously doing solid work should be formed on an even larger scale. To this end, I wish to take this opportunity to express my opinions on the implementation of major policies.

**1. Fully Understand the Importance of Implementation in the Perspective of Overall Interest and Current Developments**

Why should we further stress the implementation of major policies? The reasons are:

First, now that major policies have been defined, the key lies in implementation. As everybody knows, since the issuance of Comrade Deng Xiaoping's important speeches made during his inspection tour of southern China and since the convocation of the 14th national party congress, our party has definitely set forth the fundamental guiding ideology of persisting in the party's basic line without deviation for 100 years, has set forth

the demand on persisting in the general task on the work of the whole party and the whole country known as "seizing the opportunity, deepening reform, opening wider to the outside world, promoting development, and maintaining stability," has clearly set forth the general demands on correctly handling the relations among reform, development, and stability and on maintaining the sustained, rapid, and sound development of the national economy through reform and opening up under the prerequisite of safeguarding the stability of society, and has drawn up a series of specific principles and policies to hasten reform, opening up, and economic development and to strengthen the stability of society. Last year, the CPC Central Committee convened the fourth plenary session of the 14th CPC Central Committee as well as special meetings on economic, discipline inspection, organizational, public security, and propaganda work, at which definite demands were set on the guiding ideology, principles, and tasks for the 1995 work. To successfully implement the major policies of the central authorities, and to attain the various arrangements for this year's work made by the central authorities, in recent two or three months, the provincial party committee and the provincial government have convened one after another the eighth plenary session of the fourth provincial party committee, the provincial economic work conference, and conferences on organizational, public security, propaganda, and discipline inspection work. In the past few days, the sessions of the provincial people's congress and the provincial committee of the Chinese People's Political Consultative Conference [CPPCC] were also convened smoothly. All these meetings and sessions made arrangements for the work in all aspects this year. Therefore, it can be absolutely said that all the major policies of the central authorities and all the work targets and demands of the provincial party committee are definite, and the most important and urgent task facing us is to implement policies with the attitude of seeking the truth and with the work style of dealing with concrete matters relating to work. Just as stressed by Comrade Jiang Zemin while making an inspection tour of Zhangjiakou, now the major policies have already been defined, and I think the key lies in implementing them.

Second, we are now exactly at a key period of historical development. To seize the opportunity provided by reform and development, we must pay close attention to implementation. Only six years remain to this century. Whether or not we can seize opportunities in these six years will be determined by whether or not we can attain the following major objectives. One is to octuple the province's 1980 GNP, make the people's living standards reach the better-off level, advance the province's place in the country in terms of economic aggregates and per capita GNP, and stride into the ranks of strong economic provinces. The second is to establish the basis for the socialist market economic system. If we can attain these two strategic objectives by doing solid work and conscientiously implement the work in all aspects in

these six years, it can be said that we have seized the opportunity and accelerated development. If we fail in reform and development, in implementing the already defined ideas and measures, and in attaining these two strategic objectives, it is quite possible for us to miss the opportunity. Therefore, in a way, whether or not we seize the opportunity provided by reform and development depends on our endeavors to do solid work and to implement policies.

Third, paying attention to implementing policies constitutes the starting point and the ending point of all our work. The fundamental duties of our leading organs and leading cadres at all levels are to make correct policies and decisions, conscientiously organize implementation of policies and decisions, and continuously strengthen inspection and supervision during the process of implementation. And, the fundamental purpose of these duties is to turn the party's basic line, the party's work principles, and the party's aim on the work in all aspects into the conscious action of the vast numbers of cadres and masses and into the practical results of reform, development, and stability. Comrade Jiang Zemin has ever pointed out: "So far as the leadership work is concerned, having made decisions and formulated policies means only half of the work has been finished. The other half of the work, that is even more important, is striving to implement these decisions and policies and truly turn these decisions and policies into the practical behavior of the masses. If we fail in implementation, all decisions and policies, however good, are a mere scrap of paper." Correct decisions can only resolve the problems with regard to the understanding of the world, and successful implementation is the only way to attain the purpose of remolding the world. Thus, as far as leading organs and leading cadres are concerned, they should not only be good at making decisions but also be good at implementing these decisions. Leading cadres should not only be good at planning matters but also engage in solid work. In particular, once a policy decision is made, the emphasis of the work should immediately shift to implementing this decision.

Fourth, only by doing solid work can we make the province and the country prosperous, and empty talk can only hold things up and harm the country. History has repeatedly proven that solid work can make the country strong, while empty talk harms the country. Those who are most welcomed by the broad masses of people are the cadres who sincerely and wholeheartedly handle concrete affairs for the grass-roots areas and for the masses, and those most detested by the masses are cadres who talk more but do less and who indulge only in empty talk but refuse to do practical work. When implementing the instructions of higher authorities, some localities, departments, and leaders have often remained at the level of relaying documents, holding meetings, and giving oral instructions rather than coming up with feasible methods and measures. When talking about work, they have always indulged in fraudulent, false, big, and empty talk instead of providing applications and

practical concepts. When conducting the work, they have frequently assumed that their work was done as soon as a task was stressed, arranged, and delegated to the lower levels, and neglected pursuing concrete affairs, inspection, and learn from practical results. This style of work is bureaucratic, formalist, and corrosive. Without changing the habit of indulging in empty talk, we cannot begin to talk about invigorating the province and the country. So, we must advocate solid work, oppose empty talk, and resolutely root out the work style of indulging in empty talk.

## 2. Comprehensively Analyze the Current Situation in Implementation and Consciously Analyze the Reasons for Failure in Implementation

Generally speaking, for the past few years, the provincial party committee and the provincial government have attached extremely great importance on solid work and on successful implementation of policies. Before implementing the major decisions of the central authorities and before making major arrangements, the provincial party committee and the provincial government have always conducted profound investigations and studies, earnestly listened to opinions from various fields, and planned for policy decisions in line with the principle of democratic centralism. Once a policy decision is made, the provincial party committee and the provincial government always adopt a series of measures to continuously spread the implementation of this decision. In the process of implementation, the provincial party committee and government have paid attention to resolving major contradictions and key links at a certain period in line with the progress of work and the development of situation, and have used the results in this regard to promote the implementation of all tasks. By stressing the exemplary role of leading cadres, leaders of the provincial party committee and government have personally taken a hand in handling some major issues, have directly concerned themselves with and examined the handling of major issues, and have seriously supervised and handled major issues. The issues whose correctness has been proven were put into practice firmly and unswervingly from beginning to the end until practical results were achieved. We have also paid attention to publicly observing the situation and privately investigating it in diverse forms and through diverse channels to learn about the real situation of the grass-roots areas. We have listened to the voices and opinions of the masses, thus resolving in a timely manner some conspicuous contradictions emerging in our way of advance, the practical difficulties cropping up in the process of implementation, and hot issues of public concern. We have also exerted great efforts to establish the responsibility system among the leading cadres at or above the county (city and district) level and the incentive and restriction mechanisms among leading cadres to promote the implementation of all tasks and promote the gradual formation of the atmosphere of pioneering, the road of advance, struggling arduously, seeking truth, dealing with concrete affairs, and vying with one another in

scoring outstanding achievements. We have also persisted in launching the "anti-fake" campaign, have adopted a series of countermeasures to prevent and correct fraud related to family planning, output value of township and town enterprises, and the per capita net income of peasants, and have seriously investigated and dealt with some unlawful practices of falsely reporting statistical figures, forging statistical figures, and secretly revising statistical figures. Just owing to our endeavor in the above-mentioned fields, it can be said that the major policies of the central authorities and the major arrangements of the provincial party committee and government have been carried out in a good manner in general, the achievements in our work over the past few years have been remarkable, and the main trend has been good in the province's economic development, the unity among the people, political stability, social progress, and the entire economic and political situation.

It should be clearly noted, however, that the problem of failing to implement policies remains, and this problem is extremely serious in some localities, units, and aspects. Major indicators are: First, quite a few localities and departments have been busy making arrangements and have neglected examination. Some leading cadres have devoted themselves more to talking about work instead of actually doing practical work, have devoted themselves to making arrangements instead of conducting examinations, and have talked about work resolutely but conducted it weakly. The masses have described these practices as "only thunder and no rain" or "loud thunder but small raindrops." Second, in implementing the instructions from higher authorities, we have stayed at the stage of reading them item by item. Considerably more comrades have maintained that, so long as the instructions from higher authorities have been "re!ayed item by item," it can be said that the instructions have been put into practice. These comrades have refused to conscientiously comprehend the guidelines of the instructions from higher authorities and have refused to set forth their own work targets and measures in line with the practical situation of their localities and units, thus making the instructions a mere scrap of paper.

Third, the phenomenon of "intermediate obstacle" remains comparatively conspicuous in some localities. Some instructions of higher authorities that should be relayed and implemented to the grass-roots units in urban and rural areas have not been relayed to them or have been relayed in a perfunctory manner, thus preventing us from truly implementing these instructions to the grass-roots areas. As a result, some affairs handled busily in higher levels have come to nothing or been distorted at the grass-roots level. Fourth, the implementation work has not been strict and the duties in this regard are unclear. Some localities and units have grasped the implementation work in deed, but their work has failed because they have lacked strict targets and demands, a definite responsibility system, and strict and impartial rewards and punishments. As a result, there is no difference when a task is carried out successfully or is

not. In addition, some leading cadres have been willing to serve as "security officials." Whenever they are met with difficulties and obstacles in doing their work, they, promoted by individualism, have always first thought about how to protect themselves and have been reluctant to give offense to others even if the work will fail, thus stalling many affairs halfway. Fifth, many localities and units have paid attention to immediate interests, neglecting long-term interest, and have been eager for quick success and instant benefits. With a view to seeking their "official achievements," leading cadres in some localities and units have frequently paid attention to and placed the emphasis of their work on affairs that can yield "immediate benefits," and have neglected and even abandoned affairs bearing on development momentum, such as the building of the infrastructure, the building of organizations at the grass-roots level, and the training of basic skills of cadres. Sixth, some leading cadres have practiced fraudulence and bartered away real achievements for the sake of "fame and compliments." Some leading cadres have intentionally told a lie; engaged in false achievements; indulged in formalism; and devoted themselves to paying lip service, fishing for fame and compliments. As a result, these problems have tired the people and drained the treasury, caused troubles for ordinary people, seriously damaged the prestige of the party and government, and aroused dissatisfaction and complaints among the masses.

Why have these problems emerged? The reasons are many-sided and can be summarized as the following: 1) Some cadres are impure in their party spirit and unhealthy in ideas and work style. Some lack a strong sense of dedication and sense of responsibility, thus thinking more about personal affairs and personal promotion but less about the interests of the party and people. Basically speaking, these comrades lack a correct outlook on life, that is "what kind of person one should be." Some cadres have no correct ideological line, have not attended to practical work, have paid no attention to practice, and have advocated empty talk. Some cadres are weak in the overall point of view and slack in political discipline, thus refusing to conscientiously implement the instructions from the CPC Central Committee and from higher levels when these instructions are contradictory to the interests of their own localities and units, affected by localism, selfish departmentalism, and individualism. Some cadres lack the sense of arduous struggle, seek ease and comfort, and lack the indomitable spirit. In final analysis, all these problems are the manifestation of not being strong in party spirit and party principle. 2) Some cadres are poor in quality, and thus are unable to effectively grasp implementation. Some of our cadres, including leading cadres, have not done enough in studying theory and tempering themselves, thus being poor in quality; lacking the skill of leading reform, opening up, and modernization; and lacking the ability of doing work creatively by combining the party's principles and policies with the reality of their own localities and units. Therefore, even though they have

the desire to firmly grasp its implementation, they cannot do so because the old methods are not applicable and the new methods have not yet been mastered by them.

3) Some localities and units have not yet established and perfected the system of encouraging cadres to grasp implementation. For instance, the leadership system, the responsibility system, the inspection system, the evaluation system, and the award and punishment system have not yet been truly established in some localities, or these systems have not been truly put into practice even though they have already been established. The endeavor to overcoming the failure of implementation should be guaranteed by these systems. Good systems may force cadres to engage in work, to improve their ability, and to achieve success in work. Good systems may also encourage cadres to conscientiously attend to solid work, to learn how to do a good job, and to strive to yield practical results from the work. All in all, the failure of implementation has resulted from an impure party spirit and unhealthy ideology and work style, from the poor quality and incompetence of the cadres, and from the lack of systems and mechanisms for ensuring conscientious and solid work. Therefore, to achieve success in implementation, we must tackle problems in a comprehensive manner.

Of course, there is another reason. During the activity of making policy decisions, some leaders have refused to follow the mass line and to conduct earnest investigation and study. As a result, the decisions made by these leaders do not correspond to reality, are not correct enough, and are difficult to be carried out. In addition, owing to the changes that have taken place in objective conditions, the original policy decisions have become incompatible with the new circumstances. Under such a situation, we should readjust and perfect the original policy decisions in a timely manner in line with the principle that practice is the sole criterion to test the truth. This is the only way to make the work of implementation advance along a correct path.

### **3. Effective Measures Should Be Adopted To Promote Conscientious and Solid Work and to Promote the Implementation of Work**

To truly make 1995 a "year of implementation" devoted to conscientious and solid work, party committees and governments at all levels should carry out the following 11 measures:

First, "top leaders" should assume major responsibility for making policy decisions. "Top leaders" of party committees and governments should not only get on with the drawing up of policy decisions and the arrangement of implementation plans, but also pay attention to the implementation of policy decisions and arrangements. If they make mistakes in policy decisions, "top leaders" should assume major responsibility; if they fail to implement policy decisions, "top leaders" should also assume major responsibility. All important documents

transmitted by the central authorities and higher levels, all resolutions and decisions made by major meetings, all written instructions and tasks assigned by higher-level leaders, and all policy decisions and work arrangements made by party committees and governments at all levels within the scope of their powers should be put into practice one by one by conscientiously and seriously mobilizing and organizing the forces in various aspects. It is wrong to make arrangements only and not conduct examinations. The work should be grasped level by level and down to the grass-roots areas. Important work should be done and personally examined by "top leaders"; the difficulties and problems cropping up in the process of implementation should be resolved in a timely manner. "Top leaders" should set an example with their own actions to encourage the "common people" to tell the truth, do solid work, and seek practical results in order to help form a pronounced atmosphere of grasping implementation.

Second, party committees and governments at all levels should assume responsibility for the overall situation, be good at handling major affairs, and strive to do more concrete affairs. So far as leading organs and cadres at all levels are concerned, they are not required to handle all items of work with the same effort, but are required to concentrate on handling major affairs on the basis of assuming responsibility for the overall situation. By assuming responsibility for the overall situation, we mean leading organs and cadres should embrace an overall point of view, and in particular, should pay attention to controlling, safeguarding, and serving the general task on the work of the entire party and entire country. By handling major affairs, we mean leading organs and cadres should concentrate major energy on tackling major contradictions and handling key work by standing on the high plane of overall interest and by making clear the order of importance and urgency of various work.

Specifically speaking, leading organs and cadres should concentrate on handling the key links that have a bearing on reform, opening up, and economic development; the major issues that may affect the development of the current situation; the long-standing and difficult problems that may exert great impact on the development of localities and trades; the key issues that may affect the overall stability and the stability of society; and the hot issues that have been much discussed and complained about by the masses and have seriously affected the prestige and cohesiveness of the party and the government. Party committees and governments at all levels should bear these major affairs in mind, grasp them in their hands, set forth feasible methods in a timely manner, and conscientiously organize forces to put them into practice. In line with the guidelines of the central authorities and with the reality of the province, the provincial party committee and the provincial government have already offered the 35 affairs that should be fulfilled in 1995 based on the already defined decisions and work arrangements and on the government work

report adopted by the third session of the eighth provincial people's congress. These 35 affairs will soon be made known to the people throughout the province. In line with their respective conditions, party committees and governments of all cities (prefectures) and all counties (cities and districts) should also set forth several affairs concerning reform, development, and stability and several concrete affairs related to improving the people's living standards that should be fulfilled in 1995. At the same time, targets, measures, and deadlines should be defined for all affairs, and a definite responsibility system should be set up for the implementation of these affairs. At the beginning of the year, the major affairs to be fulfilled in the year should be made public; in the middle of the year, supervision and examination should be conducted; and at the end of the year, all the affairs should be subject to an examination and acceptance test. Meanwhile, the situation of how these affairs are handled should be made known to the public.

Third, leading cadres should not only truly attend to concrete affairs but also be good at handling these affairs. The party's principles and policies are formulated based on the circumstances and experiences with a common nature in various localities. Therefore, when implementing the party's principles and policies, leading cadres should devote themselves to analyzing the specific circumstances and conditions of their own localities and units on the basis of obtaining a comprehensive and profound understanding of the party's principles and policies, and then make sure what should be done and how to do it. Leading cadres should not only define their work targets but also make clear how to attain these targets and how to translate these targets into actions, measures, and results. Only by so doing can we truly implement the party's principles and policies. This is precisely the demand of doing a work creatively by combining the party's principles and policies with the reality of respective localities and units, which has been stressed by us for many times. It should be noted that we are now at the key period in which the planned economic system is transiting to the market economic system. In this period, the long-standing and deep-rooted contradictions in old systems have not been resolved completely, and the clash between old and new systems will surely give rise to some new circumstances and problems. If we refuse to probe into new circumstances, refuse to study new problems, refuse to explore the new paths that are suitable for new circumstances, and still cherish the outmoded and preserve the outworn, many contradictions and problems cannot be resolved, and many affairs cannot be fulfilled successfully, and the party's principles and policies cannot be put into practice. Therefore, cadres should not only truly attend to concrete affairs but also be good at handling concrete affairs. In grasping implementation, we should pay attention to making creation and should never indiscriminately and mechanically apply and copy the documents. Of course, for the affairs that are prohibited by the central authorities and higher levels in explicit terms

and that run counter to party discipline and state laws, party committees and governments at all levels should strive to prohibit them by 100 percent and should not refuse to enforce these prohibitions and go their own way on the excuse of doing a work "creatively."

Fourth, the cadres full of stratagems and action should be used, supported, and protected boldly. The key to successfully implement the party's principles, policies, and tasks lies in the efforts of letting a large number of steady and honest cadres engage in concrete affairs. On the premise of paying attention to both ability and political integrity and stressing on public opinion, party committees at all levels should be brave and good at using the cadres who know how to plan affairs, tell the truth, engage in concrete affairs, and strive for practical results and should support such cadres to bravely tackle problems and attend to work creatively in line with the major principles defined by the central authorities. When such cadres make errors and miss something in their work, party committees should warmly help them to correct their errors and make up the missed part. The censures and attacks imposed on such cadres for their brave implementation of policies should be refuted and checked by party committees in order to bolster and pep up such cadres. At the same time, those cadres who are good at making speeches but poor at practical work, who try to please the public with claptrap, who pursue the effect that may cause a sensation, and who seek unreal and false achievements should be seriously criticized and educated and should be helped to actually change their style of work. The cadres who refuse to mend their ways despite repeated admonition, whose ideological character is actually bad, and whose work style is superficial and exaggerated should be dismissed and replaced resolutely. Organizational and personnel departments at all levels should know how to temper, train, choose, and optimize cadres through practice so that cadres can truly be tested through practice, with the good ones being promoted and the bad ones dismissed.

Fifth, the major policy decisions and work arrangements of the provincial party committee and the provincial government should be subject to the responsibility system and to a strict system of rewards and punishments. The provincial target evaluation office should conduct decomposition for the major work tasks defined by the provincial party committee and the provincial government, should set forth the evaluation targets that can be materialized with great efforts, and then should assign these targets to various cities and prefectures, to related counties (cities), and to the departments directly under the provincial authorities. These localities and departments should also draw up specific measures and methods to implement these targets in line with their realities. Target evaluation organs at all levels in the province should persistently conduct an all-round evaluation of moral character, ability, administrative diligence, and performances of cadres and should conduct follow-up evaluation and examination on the implementation of work targets according to the provincial party

committee's "opinions on implementing responsibility system and strict reward and punishment system among the party and government leading bodies and leading cadres at or above the county level on a trial basis." Party committees and governments at all levels as well as party and government leaders should submit themselves to the system of reporting the implementation of their work targets to higher authorities. In the middle of every year, every party committee and every government should submit a report on the implementation of work targets to the party committee and government at the next higher level, and at the end of every year, an all-round report should be submitted. In addition, all leading members of party committees and governments should report their work to the party committees and governments at the same level. Principal responsible comrades should personally check and approve the work reports to be submitted to party committees and governments at higher levels and should assume responsibility for the truthfulness and correctness of the reports. The promotion and appointment of cadres should be conducted based on the performance in implementing work targets. Those who have implemented work targets well and scored outstanding achievements should be publicized, awarded, and put in important positions; those who have implemented work targets poorly and whose work performance is comparatively poor should be criticized and helped; and those who have implemented work targets very poorly and who are incompetent at their posts should be readjusted. Through strict and standardized implementation of leading cadres responsibility system as well as incentive and restriction mechanisms, we should orient the attention of leaders at all levels to the implementation of work targets and to the creation of practical achievements.

Sixth, efforts should be exerted in the basic level, basic work, and basic expertise of cadres at all levels. Fundamentally speaking, these three bases constitute the most important condition for fulfilling the work in all fields. Party committees at all levels should conscientiously implement the guidelines of the eighth plenary session of the fourth provincial party committee, conscientiously organize forces to grasp the building of party organizations and leading bodies at the grass-roots level, and enhance the fighting capacity of grass-roots organizations in implementing policies. In rural areas, attention should be paid to strengthening the building of organizations at the grass-roots level, with rural party branches as the core, and the building of political power at the grass-roots level, in line with the demand of "being good in five aspects." In urban areas, great efforts should be made to strengthen and improve the work concerning various kinds of enterprises and establishments as well as district and neighborhood party organizations. This year, efforts to consolidate paralyzed and semi-paralyzed party branches, to improve backward party branches, and to enhance the expertise of ordinary party branches should be regarded as a major task of party committees at all levels. Meanwhile, efforts should be made to ensure

the fulfillment of the set objectives in this aspect. Special attention should be paid to appropriately choosing and staffing the leaders of party organizations at the grass-roots level; these leaders should be vigorously educated and trained with a view to improving their expertise. We should intensify the foundation of organizations at the grass-roots level, perfect service organizations at the village level, and establish and perfect various kinds of management systems whereby affairs are handled publicly and policy decisions and supervision are conducted democratically. Organizational, propaganda, and discipline inspection departments of party committees at all levels should pay close attention to improving the political and professional quality of cadres at all levels. Cadres should be guided to spend more time and more energies on studying the first, second, and third volumes of the "Selected Works of Deng Xiaoping"; the theory of the socialist market economy; the rudimentary knowledge of modern science and technology; and management science, as demanded by their official work and posts, so they will be more able to resolve new problems under the new situation. Cadres at or above the township (section) level should keep themselves within the bounds of the provincial party committee's regulations on "forbidding cadres to play mahjong, be drunk, and enter ballrooms of a business nature."

Seventh, joint forces should be formed to grasp the implementation of policies by strengthening unity and coordination between different sectors. Grasping implementation of policies through one heart and one mind as well as through concerted efforts is crucial to invigorating Hebei. The unity among all levels of leading bodies should be reinforced by encouraging cadres to conscientiously implement the principle of democratic centralism, to pay attention to and understand the overall situation, to emphasize work styles, and to promote friendship among them. Party committees and governments at all levels should strengthen macroeconomic guidance, bring the relations between different departments and different fields into better balance, and organize the forces in all fields to grasp the implementation of policies in coordination. For the major issues involving the overall interest, correct opinions should be concentrated bravely on the basis of giving full consideration to the interests of all aspects and soliciting opinions from all sides; policy decisions should be made in a timely manner, instead of putting off major issues for a long time without making decision or refusing to carry them out after decisions are made. All policy decisions that have been made should be implemented to the letter by departments at all levels. The issues that are conducive to the overall interest but adversely and temporarily affect the partial interest should also be carried out resolutely out of consideration of the overall interest. All major tasks that have been arranged through coordination should be supervised in a timely manner; how they are implemented should be examined. Those who take local and departmental interests into account only, refuse to abide by decrees and enforce prohibitions,

shift responsibility onto others, dispute over trifles, make things difficult for others, and adversely affect the work should be held to account. The malpractice of using powers to extort and pocket a portion of benefits from grass-roots areas, and the unhealthy trends of trade that adversely affect work efficiency and implementation of policies, should be corrected through resolute measures. This year, discipline inspection and supervisory organs should be determined to investigate and deal with several undisciplined cases of harming the overall situation due to departmental selfishness and unhealthy trends.

Eighth, effective measures should be drawn up to prevent "fraudulent behavior" in reporting achievements. All behavior of indulging in formalism, paying lip service, making false reports, being boastful and exaggerating, deceiving superiors and deluding subordinates, and seeking honor through fraudulence and deception are corrosive behaviors in politics. These behaviors are even more harmful than fake and inferior commodities, and must be opposed in a clear-cut manner. Leaders at all levels should go all out to advocate the work style of daring to uphold the truth rather than saving face, daring to tell the truth rather than telling lies, and truly attending to work rather than seeking unreal achievements. Leaders at all levels should also foster the good social atmosphere of feeling glorious to seek truth and feeling shameful to practice fraudulence, and should pay attention to establishing an effective mechanism to prevent "fraudulent behavior" in reporting achievements. Some of the fraudulent behavior has resulted from the pursuit of personal fame, gain, and position, while others have been committed under incitation and pressure by leaders. Therefore, leading cadres at all levels must set an example and take a lead in guarding against and eliminating fraudulence. This year, the control over fraudulence should be focused on family planning figures, grain and cotton growing acreage, output value of township and town enterprises, the evaluation of quota management systems of party and government departments, and major professional targets of all professions and trades. In addition to obtaining accurate and real figures, we should explore a set of simple statistical methods that are easy to be implemented and that can reflect real situations so as to ensure the correctness of major data and situations. By so doing, we can truly get rid of fraudulent behavior, can understand real situations, can punish fraudulent behavior, and can advocate real ones. When evaluating the work of a locality, department, or unit, and in particular when evaluating the work performance of a cadre, we should resolutely overcome and prevent the abnormal phenomenon that reporting good news leads to benefits, reporting bad news leads to losses, telling the truth comes to grief, and telling a lie brings about advantages. In addition, higher levels should not press lower levels to attain the targets that cannot be attained even through great efforts due to the lack of conditions in order to avoid pressing lower levels to practice fraudulence.

Ninth, the work of supervisory, inspection, auditing, and monitoring departments should be enhanced, and the supervisory role of people's congresses and CPPCC organizations should be brought into full play. Departments in charge of supervision and examination, assessing quotas, discipline inspection, auditing, and statistical work under all levels of party committees and governments should earnestly perform their duties and give full play to their due role in grasping the implementation of policies. Supervisory and inspection departments as well as quota assessment departments should successfully tackle the failure in implementation of policies through the methods of conducting investigation and study, inspection and supervision, and regular assessment for special items. Together with auditing and statistical departments, quota assessment departments should conduct spot check and auditing among units that are subject to regular or irregular assessment. Units that have been found practicing fraudulence and fabricating statistical figures and achievements through illegal means should all be investigated, dealt with, and corrected in a timely manner. Discipline inspection and supervisory departments should regard the anti-fraudulence work as one of the focal points of their supervisory and professional work. Those who have gained honor and rewards through fraudulence should be seriously punished. As for units that have done superficial work, seriously indulged in bureaucratic work styles, and brought about grave economic losses and political consequences, their major responsible persons and persons concerned should be held to account.

The people's congress and CPPCC work should be increased. As the organs under which the people can exercise their power to manage the state, people's congresses should fully exploit their role in supervising the work of the government according to law and in promoting the implementation of all items of work. As a major organizational form of the broad patriotic and united front, the CPPCC should fully exploit its role in conducting political consultation and democratic supervision and in participating in and discussing political affairs. People's congress deputies and CPPCC members should offer more proposals and opinions for the work of party committees and governments, and should dare to reveal and reflect the shortcomings in the work of party committees and governments as well as the behavior in relation to bureaucratism, formalism, and empty talk so they can help party committees and governments improve their work and successfully grasp the work of implementation.

Tenth, leaders should change their style of work and go down to grass-roots areas to conduct investigation and study and resolve problems. To make our leadership work more connected with reality and the masses, this year all levels of leaders should concentrate their energies on going down to grass-roots areas to conduct investigation and study, to guide the work there, and to handle affairs and resolve problems on the spot. Leaders at all levels should spend more time on going down to

grass-roots areas; to the masses; and to units and localities plagued with problems, contradictions, and difficulties. According to the related regulations defined by the eighth plenary session of the fourth provincial party committee, every year leading cadres at or above the county level should spend no less than three months to go to grass-roots areas and live in the houses of peasants or enterprises for 10 to 15 days to learn about the real will of the masses. Every leading cadre should make friends with a number of workers, peasants, intellectuals, and cadres at the grass-roots level in order to learn more about the real situation of grass-roots areas through them. Investigation and study should be actually devoted to resolving problems with good efficiency. To ensure that leading cadres will have sufficient time and energy to do deep into the grass-roots areas and to the masses, great efforts should be made to resolutely overcome the phenomenon that leading organs are tied up with excessive documents, meetings, and unnecessary social intercourse activities. Provincial party committees and the provincial government should take the lead in conscientiously implementing the relevant regulations of overcoming "excessive documents, meetings, and social intercourse activities." General offices of the provincial party committee and provincial government should truly exploit their "bottleneck" role to help reduce documents, meetings, and unnecessary social activities for leading comrades. Here, I want to reaffirm that all meetings and social intercourse activities that have not been examined and approved by the general offices of the provincial party committee and provincial government will not be approved and attended by leading comrades in general. These two general offices should dare to grasp this work to help leading cadres extricate themselves from the yoke of "excessive documents, meetings, and unnecessary social activities."

Eleventh, propaganda and mass media departments should give good guidance by the media for the "year of implementation." Propaganda departments and press units of the province, as well as of various cities and prefectures, should organize and publish speeches on grasping the implementation of policies in a planned manner. Wide publicity should be given to the advanced collectives and individuals on all fronts that have made great efforts to meet difficulties head-on, truly attended to concrete affairs, and made outstanding achievements; to the methods and experiences of various localities in successfully implementing policies; and to the good methods of all fronts in resolving conspicuous contradictions emerging in the way of advance and the conspicuous problems with which the masses are concerned. The behavior of causing delays in work due to empty talk should be revealed to an appropriate extent. Through vivid and effective propaganda and education activities, the vast numbers of cadres and masses should be encouraged to work hard with one heart and one mind in order to ensure that the achievements made in fulfilling various tasks in 1995 will be even greater than those in

1994, and to effect a major change in the work style of cadres through the activity of designating 1995 as the "year of implementation."

**Tianjin Issues Municipal CPPCC Work Report**

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19 Mar 95 p 2

[Report given by Li Changxing, vice chairman of the Tianjin Municipal Chinese People's Political Consultative Conference [CPPCC] Committee, on the work of the standing committee of the ninth Tianjin Municipal CPPCC Committee, at the third session of the ninth Tianjin Municipal CPPCC Committee on 19 February]

[FBIS Translated Text] Fellow committee members:

Entrusted by the standing committee of the ninth municipal CPPCC Committee, I would like to present a report on the work since the second session of the ninth municipal CPPCC Committee to this session for your discussion.

I. Since the second session of the ninth municipal CPPCC Committee, with the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, the standing committee conscientiously carried out the guidelines of the 14th National Party Congress and the third and fourth plenary sessions of the 14th CPC Central Committee as well as the instructions of the party Central Committee on the CPPCC work. Under the leadership of the Tianjin Municipal CPC Committee, the standing committee acted in close accordance with economic construction; obeyed and served the general tasks of the whole party and the whole country; gave full play to the advantages; realistically exercised the functions of political consultation, democratic supervision, and political discussion and participation; did much work for promoting Tianjin's reform, development, stability, and modernization drive, for safeguarding and developing the political situation of stability and unity, and for promoting the great undertaking of the peaceful reunification of the motherland; successfully fulfilled the tasks set forth in the second session of the ninth municipal CPPCC Committee; and made new headway in various tasks.

A. We conscientiously exercised main functions in line with the major issues of Tianjin's economic development.

We gave full play to the main functions of political consultation, democratic supervision, political discussion, and political participation and also made suggestions and exerted our efforts for Tianjin's economic development. In order to carry out the guidelines of the third plenary session of the 14th CPC Central Committee and the plans of the municipal party committee, we organized various special committees, all democratic parties, and federations of industry and commerce to carry out a series of special investigations and studies

with the socialist market economic system as the subject since the second session of the ninth municipal CPPCC Committee. With the strong sense of responsibility for pushing Tianjin's economy forward as soon as possible and the spirit of being masters, committee members deeply investigated and studied the overall issues with a bearing on Tianjin's economic development and social progress and made some investigation and study results at certain stages. The enlarged standing committee meeting was held at the right moment, during which, 14 committee members made statements. Their statements covered industry, agriculture, finance, science, technology, the construction of new areas close to the sea, medical and old-age insurances, the construction of the spiritual civilization, the introduction of foreign capital, and regional economic cooperation. Gao Dezhān, secretary of the municipal party committee, Zhang Lichang, mayor of Tianjin Municipality, and the municipal leading comrades attended the meeting and listened to the statements. They praised that the situations and viewpoints involved in the opinions and suggestions of the 14 committee members are workable and of a fairly high level and have provided important reference materials for policymaking of the municipal party committee and the municipal government. Particularly, the suggestion on clarifying the property rights of the rural collective economy was highly valued by the municipal leaders. Comrade Gao Dezhān instructed that "the investigation and study report is well written, specific, and of a high level, and has guiding significance in promoting the development of the collective economy of the periphery of Tianjin Municipality." He also called on relevant comrades to conscientiously study the report. The opinions and suggestions on "letting money-losing and pollution-creating enterprises in golden areas retreat from low-level processing industries and shift to the development of the tertiary industry and accelerating the development of the tertiary industry" were well received by the municipal leaders and included into the major investigation and study tasks of the municipal party committee, and some viewpoints were drawn into the work priorities of the municipal party committee.

The issues of agriculture and rural economic development were the key points of Tianjin's economic work. In order to promote Tianjin's rural economic development, we organized some committee members to carry out a fairly long period of investigation and study along with the comrades of the district and county CPPCC Committees. After that, they made a special report on the issues of correctly recognizing the situation of Tianjin's agricultural production, accelerating the progress of agricultural industrialization, promoting the optimum-scale operation of lands, carrying out the measures of using science and technology to invigorate agriculture, devoting great efforts to developing agriculture with characteristics, protecting the agricultural environment, protecting land resources, and formulating policies for agricultural protection. A "study meeting on accelerating Tianjin's agricultural development" was held, during

which, the vice mayors in charge of agriculture and the responsible people of relevant departments reported situations, listened to opinions, and discussed matters of vital importance for agricultural development. The eighth standing committee meeting of the ninth municipal CPPCC Committee regarded the issues of agriculture and rural work as the main discussion topics. The responsible leaders of the municipal government and the responsible people of relevant departments attended the meeting, listened to opinions, conducted consultations, made the report of "some suggestions on accelerating Tianjin's agricultural and rural development," and submitted it to the municipal party committee and the municipal government.

At the forum presided over by Comrade Gao Dezhān, secretary of the municipal party committee, the responsible comrades of various democratic parties, Federations of Industry and Commerce, relevant mass organizations, and special committees of the CPPCC Committee put forward opinions and suggestions for formulating the work priorities of the municipal party committee. At the forum held by Mayor Zhang Lichang and various vice mayors, many committee members put forward keen-insight opinions and suggestions for various tasks of the government.

The investigation and study reports of various special committees and the inspections and motions of committee members are important means in which the CPPCC Committee exercises functions. Over the past year, the work of various special committees was fairly active, their work fields were continuously broadened, and their foundation role was further strengthened. Through in-depth investigations and study, special committees put forward 37 special investigation and study reports; many reports were well received by the municipal leaders, and gave play to a certain role in improving work and resolving some practical problems. We also further strengthened the motions work. Since the second session of the ninth municipal CPPCC Committee, a total of 734 motions were established. These motions were all addressed and handled, of which, many suggestions were adopted by relevant departments. In the course of handling the motions work, in line with the spirit of paying attention to key points, promoting the overall situation, launching a campaign to handle cases with the help of the masses, and enhancing work efficiency with stable strides, "we paid great attention to addressing and handling the motions and key motions of democratic parties in an effort to give play to the positive role of motions in exercising the functions of the CPPCC Committee. Over the past year, a total of 4,548 letters and visits from committee members and people of various circles were accepted and received, and 190 letter reports were handled.

In investigation and study activities as well as in political discussions and participation, committee members took the initiative in eliminating misgivings and difficulties for enterprises and the masses, such as: 1. Committee

members organized and held the policy consultation meeting for more than 100 private entrepreneurs, during which, some practical problems were resolved. This was well received by the private enterprises. 2. Committee members went down to some of the state-owned, large and medium-sized enterprises to conduct investigation and promptly reflected actual difficulties of enterprises. Thus some difficulties which had not been resolved for a long period of time, were resolved in varying degrees.

B. We contributed to promoting the construction of Tianjin's socialist spiritual civilization and the building of democracy and the legal system.

Committee members paid great attention to the construction of Tianjin's socialist spiritual civilization. They conducted investigations and held forums on strengthening and improving moral and legal system educations of primary and middle schools, perfecting the internal management systems of primary and middle schools, and doing a good job in training the staff and workers of state-owned enterprises. They also put forward opinions and suggestions and called on the whole society to care for and support the fundamental education. Some committee members even donated goods and money and did practical things for educational undertakings. This was well received by relevant departments and the masses. Committee members also paid great attention to the reform and development of Tianjin's medical and public health undertakings; conducted investigation and study on further strengthening the management of medicines, running medical clinics through the efforts of society, and keeping a lookout for harmful occupational diseases in the three types of foreign-funded enterprises; and put forward opinions and suggestions. Committee members highly treasured Tianjin's stable and united political situation, conducted investigation and study on public security, put forward suggestions, and actively made contributions for maintaining social stability. Over the past year, through criticisms and suggestions, committee members conducted democratic supervision on the implementation of relevant laws and regulations, the implementation of major principles and policies, and the work of the state organs and their members. We also organized committee members to conduct inspection and investigation on the implementation of the "law of the PRC for protecting the rights and interests of consumers," the "teacher law," the "food hygiene law," and the "law for the quarantine of the imported and exported animals and plants" and put forward specific suggestions for strengthening and improving law-enforcement work. We listened to the work reports of the responsible people of the municipal higher people's court and the municipal procurate. We participated in the general inspection on the work of the party building and clean politics. This gave play to a very good role in deeply conducting Tianjin's anticorruption struggle. We organized committee members to participate in the general inspection on the finance and price, inspect Islamic food market, and make positive efforts to stabilize the market price

and standardize the market behaviors. At the third Tianjin Municipal Commendatory Meeting on national unity and progress, five committee members were conferred the title of "advanced individual demonstrating national unity."

Last year, the standing committee regarded the "outlines for carrying out patriotic education" as an important task and successfully carried it out. Thus, relevant special committees held several forums and discussions, acted in line with the reality of the CPPCC Committee, and did beneficial work for the implementation of the "outlines." New headway was made in cultural and historical data. We held the municipal work conference of cultural and historical data, formulated the "work plan of the Cultural and Historical Data Committee of the ninth Tianjin Municipal CPPCC Committee," and trained personnel engaged in cultural and historical work. We collected and compiled various historical materials with 870,000 words as well as edited and published four volumes of the "Selected Works of Tianjin Cultural and Historical Data." The quality of publication was enhanced to some extent, and the whole year's task was fulfilled fairly well. New achievements were made in the work of translation and editing. We completed the translation and publication of the 13th book of "Gu Weijun Memoirs" so that the monumental work with 6 million words could be completely published. During the past year, a total of 16 volumes of English and Japanese books were translated, totalling 3.8 million words. We further strengthened the contacts with relevant fields at home and overseas, broadened book sources and publication channels, and created conditions for carrying out the translation work for some time to come.

C. We expanded contacts at home and overseas and strengthened contacts and cooperation with all sectors.

New achievements were made in contacts at home and overseas. Over the past year, in order to realize the general goal of the peaceful reunification of the motherland and invigoration of China, we further strengthened contacts with Taiwan compatriots, Hong Kong and Macao compatriots, and overseas Chinese compatriots; took the initiative in carrying out activities of external contacts, and expanded overseas contacts. Last year, a total of 78 groups with more than 340 visitors from the United States of America, Japan, Singapore, Thailand, Ecuador, and districts of Taiwan and Hong Kong were received. Besides, committee members themselves also received more than 600 overseas relatives and friends. Of the received visitors, high-level personages and entrepreneurs with economic strength increased, such as the diplomatic envoys of India, Russia, and Slovakia, special economic envoy of the president of Ecuador, the chairman of the office of the presidential palace of the United Arab Emirates, the adviser of the Ministry of Finance of Thailand, and Mr. Zhang Xuesen, blood brother of General Zhang Xueliang. Through strengthening contacts to have a large circle of friends, promote friendship, and expand influence, the exchange and cooperation between Tianjin and the districts of Taiwan, Hong

Kong, and Macao as well as some countries in terms of economy, science, technology, and culture were promoted. Last year, positive efforts were made in attracting foreign businessmen and introducing foreign capital, and 68 larger projects involving the infrastructural facilities of the subway, highway, coal harbor, and aviation, the transformation of one-story houses, and the tertiary industry were contacted. Some committee members visited the United Arab Emirates through religious channels, held trade talks, and reached initial agreements in the export of the traditional Chinese medicine, seamless steel tubes, and the products of the light and textile industry. This played a positive role for Tianjin to further open up the Middle East market. We made breakthroughs in the people's diplomatic activities. For the first time, in the name of the municipal CPPCC Committee, Chairman Liu Jinfeng led the delegation to visit Singapore and Malaysia, visited the parliament of Singapore, met with very important persons of political circles and the well-known personages of industrial and commercial circles in Singapore and Malaysia, propagated the achievements of Tianjin Municipality, expanded the influence of the CPPCC Committee, furthered the friendship between Tianjin and the people of Singapore and Malaysia, and promoted economic cooperation.

Attention was paid to giving play to the role of various democratic parties, federations of industry and commerce, and relevant mass organizations in participating in the discussion and administration of state affairs through the CPPCC Committee. The chairman of the municipal CPPCC Committee and vice chairmen stationed in the municipal CPPCC Committee visited the responsible people of various democratic parties, federations of industry and commerce, and relevant mass organizations twice a year, made friends, exchanged situations, listened to opinions, and jointly discussed the plan for grasping the work of the CPPCC Committee. They persisted in listening to opinions and discussing official business through consultation in the secretary general meetings, biweekly forums, and various activities. They also encouraged democratic parties and the mass organizations to make statements and put forward motions in the plenary sessions of the CPPCC Committee. They also conscientiously assisted relevant fields to actively handle the motions and suggestions of democratic parties and the mass organizations. Various democratic parties, federations of industry and commerce, and relevant mass organizations gave play to a more important role in promoting Tianjin's reform, opening up, and the development of the socialist modernization drive.

The standing committee paid great attention to carrying out the work of the CPPCC Committees of districts and counties, unceasingly strengthened contacts, and gave play to the guiding role. The leading comrades of the municipal CPPCC Committee persisted in participating with the chairmanship joint meetings of the CPPCC Committees of districts and counties, attended the important meetings held by the CPPCC Committees of districts and counties for several times, promptly relayed relevant guidelines of the national CPPCC Committee,

and reported the work situation of the municipal CPPCC Committee. The standing committee paid attention to investigating and studying the work of the CPPCC Committees of districts and counties, helped them resolve some practical problems, summarized and exchanged work experiences, and promptly held work seminars of the CPPCC Committees of districts and counties. The standing committee held the seminars for the secretaries general of the CPPCC Committees of districts and counties to study the CPPCC Constitution, and went down to the CPPCC Committees of districts and counties to explain and publicize the CPPCC Constitution. Therefore, the ties between the municipal CPPCC organs and the organs of the CPPCC Committees of various districts and counties were further strengthened. The work of the CPPCC Committees of districts and counties was more active, and the achievements of political discussion and participation were significant. They were all working to make important contributions for promoting Tianjin's economic development and social progress.

The contacts between the special committees of the municipal CPPCC Committee and relevant departments of the municipal party committee and the municipal government were strengthened. The contact channels were further broadened, and the fields of participating in meetings, reporting situations, offering materials, exchanging information, conducting joint investigation and study, and listening to opinions and suggestions were gradually developed towards the direction of systematization and institutionalization.

The contacts and cooperation between the national CPPCC Committee and the CPPCC Committees of brotherly provinces, cities, and districts were closer. Entrusted by the national CPPCC Committee, we organized the national CPPCC Committee members stationed in Tianjin to conduct investigation in Guizhou Province. We introduced our work experiences at the work experience forums of the local CPPCC Committees held by the national CPPCC Committee. Relevant responsible comrades participated in the CPPCC work theoretic seminars held by the national CPPCC Committee. We participated in the relevant work meetings organized by the national CPPCC Committee and the CPPCC Committees of brotherly provinces, cities, and districts as well as studied and exchanged work experiences. Last year, more than 80 delegations of the CPPCC Committees of brotherly provinces, cities and districts were received.

We also organized members of the CPPCC friendship society to actively carry out various activities, and listened to their opinions and suggestions.

**D. We carried out study activities and continued to further the common consensus.**

Over the past year, the standing committee regarded studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics as the priority as

well as organized and promoted committee members to carry out various study activities on the voluntary basis. The standing committee organized committee members to conscientiously study the first, second, and third volumes of the "Selected Works of Deng Xiaoping," the socialist market economic theory, the party's united front theory and the CPPCC Constitution which had been revised. In order to help committee members study the "Selected Works of Deng Xiaoping" and the socialist market economic system, the standing committee invited well-known specialists and scholars to give study guidance lecture sessions and compiled and issued "study reference materials." This was well received by committee members. The chairmanship meetings conscientiously upheld the study system and strengthened guidance to the study by committee members. Through study, committee members deepened the understanding of the spiritual substance of Comrade Deng Xiaoping's theory; enhanced the recognition of the party's in-depth reform, opening up, and series of major principles and policies; and strengthened the consciousness of carrying out the party's basic line.

E. We conscientiously carried out the guidelines of the municipal CPPCC work conference and deeply carried out the CPPCC work.

In November last year, the municipal CPPCC work conference held by the Tianjin Municipal CPC Committee was a major event in the development history of Tianjin Municipal CPPCC Committee. The conference had extremely great guiding significance for the leaders at various levels to further enhance recognition, unify ideology, give play to the CPPCC advantages, and grasp the CPPCC work at the new period. After the conference, we immediately grasped the work of relaying, studying, and carrying out the guidelines of the conference. The standing committee held the enlarged meeting, conscientiously studied the important statements made by Comrade Gao Dezan and Comrade Liu Jinfeng, and made the "resolution on conscientiously studying and carrying out the guidelines of the municipal CPPCC work conference." Various districts and counties successively held the CPPCC work conferences. Through relaying and carrying out the guidelines of the municipal CPPCC work conference, the recognition of the importance of the CPPCC work was further enhanced, and the responsibility sense and consciousness of grasping the CPPCC work was strengthened. The party and government leaders at all levels highly valued and supported the CPPCC work so that some specific problems which had not been resolved in the past were resolved. Efforts were made to conscientiously study and carry out the guidelines of the work conference and educate the CPPCC Committee members and cadres of the CPPCC organs so that their spirits were heightened and the CPPCC work became more active. They were all working to lay a solid foundation for further attending to the CPPCC work in this year.

We promptly organized committee members to relay and study the guidelines of the work experience forums

of the local CPPCC Committees throughout the province and of the important statement made by Chairman Li Ruihuan, acted in line with the reality of the municipal CPPCC work, and carried out the guidelines of the forums in places where needed.

F. We strengthened organizational construction as well as enhanced work quality and service level.

At the beginning of last year, in line with the unified plans and demands of the municipal party committee, various sections and offices of the municipal CPPCC organs formulated a work objective responsibility system, with the aim of assigning tasks to each post, dividing responsibilities up for each person, defining the objective, and sharing work and cooperating with each other. We established and perfected the necessary rules and regulations; strengthened political study, ideological education, and professional training of cadres, staffs, and workers; and enhanced the political and professional quality. Under a situation in which the office site was moved two times, all members of the CPPCC organs took the overall situation into consideration, overcame difficulties, and fairly fulfilled various tasks. The municipal CPPCC research institute was established so that the comprehensive coordination function of organs and the propaganda work of the CPPCC Committee were strengthened.

Fellow committee members, during the past year, new achievements were made in the CPPCC work. These achievements were made through the concerted efforts of all committee members under the leadership of Tianjin Municipal CPC Committee and with the great support of the standing committee of the municipal people's congress, the municipal government, and all sectors. While fully affirming achievements, we should notice that there are still some deficiencies in our work, such as: 1. We fail to make sufficient efforts to emancipate the mind. 2. We still need to add impetus to democratic supervision. 3. We should further strengthen contacts with relevant counterpart departments of the municipal people's congress and the government. 4. There are still weak links in organizing the activities of committee members. 5. The special committees should devote great efforts to investigating and studying the deep-seated problems. 6. We should strengthen coordination in arranging the organizational work. Therefore, we should exert our uttermost efforts to resolve these problems in this year.

II. Fellow committee members, at the beginning of this year, the third enlarged plenary session of the sixth municipal party committee adopted the "work priorities of Tianjin Municipal CPC Committee for the year 1995" and the "three-year (1995-1997) implementation planning of Tianjin Municipal CPC Committee on strengthening the party building," made overall plans for this year's work, and put forward explicit demands for the CPPCC work. This year, in line with the general plans and demands of the municipal party committee, we should conscientiously and successfully carry out the

CPPCC work. The guidelines of the municipal CPPCC work in 1995 are: We should persist in regarding Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line as the guidance; conscientiously carry out the guidelines of the 14th National Party Congress, the third and fourth plenary sessions of the 14th CPC Central Committee, and the important statement made by Comrade Jiang

Zemin during his inspection to Tianjin; conscientiously carry out the guidelines of the third enlarged plenary session of the sixth Tianjin Municipal CPC Committee and of the work conference of the municipal CPPCC Committee held by the municipal party committee; obey and serve the general tasks of the whole party and the whole country; conscientiously exercise the functions of political consultation, democratic supervision, and political discussion and participation; give full play to the advantages and roles of the CPPCC Committee; mobilize all positive factors; unite with all the strength that can be united; work with one heart and one mind; and pool the wisdom and efforts of everyone in an effort to do a better job in Tianjin's economic development and social progress and exert efforts in the struggle of realizing the grand goal of "invigorating the municipality by making people rich or become prosperous."

The general demands are to give full play to the overall functions of the CPPCC Committee; make political consultation become a solemn, regular practice, democratic supervision practical and effective, and political discussion and participation achieve remarkable success; enhance the CPPCC work to a new level; and create a new situation for CPPCC work.

The main tasks and objectives for this year's CPPCC work are:

1. We should push the work of exercising the main functions of the CPPCC Committee to a new level.

We should conscientiously refer to and carry out the "regulations of the national CPPCC Committee on political consultation, democratic supervision, and political discussion and participation;" realistically exercise the functions of political consultation, democratic supervision, and political discussion and participation; and strive to do a good job in standardization and institutionalization. We should act in close accordance with various tasks and general demands defined by the municipal party committee and the municipal government, unify ideology, give consideration to the overall situation, strengthen coordination, do work in a down-to-earth manner, give play to advantages, and make noticeable achievements.

Political consultation should be carried out in close connection with the general principles of our municipality and the major issues emerging in the course of economic and social development. During this year, we should make a special effort to strengthen investigation and study on deepening the reform of the state-owned enterprises,

curbing inflation, developing agriculture and the rural economy, expanding opening up to the outside world, strengthening the construction of the socialist spiritual civilization, grasping basic education, and other major, difficult, and hot issues. We should understand situations, analyze contradictions, study methods, make good suggestions, and offer support for the resolutions of the municipal party committee and the municipal government. We should do a good job in political consultation by holding forums of leading members of the government and CPPCC Committee members and strengthening the contacts between various special committees and counterparts in various government departments.

We should realistically strengthen democratic supervision in close connection with the implementation of laws, regulations, and policy decisions. We should realistically shoulder the responsibility for supervising the implementation of the laws and regulations of the state and locality; the situations and problems emerging in the course of carrying out resolutions; the situation of fighting corruption and advocating clean politics; and the hot issues which are of primary concern to the masses, such as the market price, food hygiene, the crackdown on pornography and fake products, and the checking of unhealthy tendencies, and achieve actual results.

We should conscientiously exercise the function of political discussion and participation. In political discussion and participation, we should broaden channels, expand fields, make use of diversified and flexible methods, avoid sticking to one pattern, and strive for actual results. The key to political discussion and participation lies in widespread participation. Only by participating in the discussion and administration of state affairs can we fully embody the advantages of the organization and members of the CPPCC Committee, carry forward democracy to the largest degree, and strengthen unity. In order to grasp the political discussion and participation, we should not only carry forward the past good traditions but also actively open up new contents and create new forms in line with the demands of new situations and tasks.

2. We should make new achievements in promoting the construction of a socialist spiritual civilization.

We should adhere to the principle of "taking a two-handed approach in work and being tough with both," promote the construction of two civilizations, and give impetus to economic development and the overall progress of society. We should regard conscientiously carrying out the "outlines for carrying out patriotic education" as the major issue and successfully carry it out. We should extensively carry out patriotic education among the CPPCC Committee members, the masses and people, and teenagers and devote great efforts to carrying forward the patriotic spirit. We should actively cooperate with the municipal party committee and the municipal government to successfully carry out the activities of marking the 50th anniversary of the victory of the War of Resistance Against

Japan and the world's anti-fascist war. We should use the historical facts of comprehensively resisting against enemies and rescuing the country out of peril in the War of Resistance Against Japan to conduct vivid and practical patriotic education in an effort to unite with people of various nationalities and overseas Chinese, heighten the national spirit, concentrate the national strength, and accelerate Tianjin's reform, opening up, and socialist modernization drive. We should specifically organize members to go on visits and conduct inspection. We should mobilize committee members to use the advantageous opportunity of holding the 43d World Table Tennis Championship in our municipality and do beneficial work in carrying out the activity of "building a civilized city and being a civilized citizen."

We should assist the municipal party committee, the municipal people's congress, and the municipal government to promote the building of democracy and the legal system. We should participate in formulating local laws and regulations and administrative legislation as well as carry out investigation and study activities in the course of law enforcement. We should participate in deepening educational reform and make contributions for accelerating the pace of building Tianjin as the advanced city of national education. We should suggest ways and means for promoting the development of the undertakings of medicine, public health, and sports. In the work of cultural and historical data as well as edition and translation, we should meet the demand of new situations and tasks and do a better job in serving spiritual civilization construction.

### 3. We should make new contributions for safeguarding social stability.

We should conscientiously study the new situations, contradictions, and issues emerging in the course of establishing the socialist market economic system, promote Tianjin's reform and development, and safeguard social stability. We should make full use of the CPPCC committee's united and coordinated functions and the unique advantages of having an outstanding position and widespread contacts. We should do much work in exchanging ideas, reflecting the will of people, improving emotions, resolving contradictions, and strengthening unity. We should give better play to the role of the CPPCC Committee as an important channel for making close ties between the party and the masses. We should regularly go down to the grass-roots organs and the masses, listen to the suggestions of the masses, experience and observe the emotions of the masses, reflect the voice of the masses, assist the party committee and the government to find out the real situation and methods, and make new contributions for safeguarding social stability.

### 4. We should make new contributions in expanding contacts at home and overseas.

We should regard the important statement of General Secretary Jiang Zemin on "continuously struggling to

promote the fulfillment of the grand undertaking of the reunification of the motherland" in conducting contacts at home and overseas, hold high the patriotic banner, and persist in serving economic construction and the reunification of the motherland. We should conscientiously carry out the basic principle of "peaceful reunification of the motherland—one country and two systems," pay attention to doing a good job in making ties with Taiwan people, and carry out diversified contact activities. We should pay great attention to carrying out economic exchange and cooperation with Taiwan, safeguard the proper rights and interests of Taiwan compatriots, and further the common consensus of mutual benefit and trust. We should further strengthen contacts with the municipal CPPCC Committee members in the districts of Hong Kong and Macao, adopt corresponding measures, create good conditions, give full play to the role of Hong Kong and Macao committee members, and further expand and strengthen the contacts and economic cooperation between Tianjin and the districts of Hong Kong and Macao. We should give full play to the role of the CPPCC Committee in linking government officers with civilians during overseas contacts, its stronger flexibility and widespread representativeness, and its unique advantage that the committee members have more extensive overseas relations, and should take the initiative in carrying out the activities of external contacts. In line with the characteristics and advantages of the CPPCC Committee, we should proceed from the reality, adopt diversified forms, invite delegations to the municipality and send out delegations, and create new situation for the diplomatic work of the CPPCC Committee. Through contacts with "Taiwan compatriots, Hong Kong and Macao compatriots, and overseas Chinese compatriots" and activities of external contacts, we should promote common understanding, have a large circle of friends, expand exchange, actively assist the government to attract foreign businessmen and introduce foreign capital, and make contributions to realizing the opening up to all directions of the outside world, invigorating Tianjin's economy, and promoting the grand undertaking of peaceful reunification of the motherland.

### 5. We should make new progress in strengthening contacts and cooperation with all sectors.

We should strengthen contacts with all sectors and develop cooperation with various fields. We should conscientiously carry out the principle of "long-term coexistence and mutual supervision" and the principle of "showing utter devotion to and sharing disgrace and honor with each other;" maintain close ties with various democratic parties, nonparty personages, federations of industry and commerce, relevant mass organizations, and people of various nationalities and circles; exchange mutual situations; cooperate with each other, and cooperate in various ways. We should maintain a close relationship with the relevant departments of the municipal party committee and the municipal government, make close ties with the municipal people's congress, and take the initiative in striving for the support to the CPPCC work. Furthermore, we should make close ties

with the CPPCC Committees of various districts and counties. We should strengthen guidance to the work of the CPPCC Committees of districts and counties through attending important meetings of the CPPCC Committees of districts and counties, summarizing and exchanging experiences, reporting information, and carrying out joint investigation and study.

**6. We should support and help the CPC organizations at all levels grasp self construction.**

We should give full play to the organizational role of the CPPCC Committee as the important organ for the multi-party cooperation and political consultation under the CPC leadership as well as help the party organizations grasp self construction. We should conscientiously study and carry out the guidelines of the fourth plenary session of the 14th CPC Central Committee; act in line with the demands of Tianjin Municipal CPC Committee; and put forward opinions and suggestions for the party organizations at all levels to uphold and perfect democratic centralism, strengthen and improve the construction of the grass-roots party organizations, and train and recruit leading cadres who have both the ability and political integrity. Various democratic parties and people of various nationalities and circles should fulfill their duty as the "friend who will give forthright admonition" and actively help party organizations at all levels grasp the construction of ideology, organization, and work style. In the course of grasping the building of party style and clean politics, we should actively fulfill the duty of democratic supervision and make new contributions for making close ties between the party and the masses.

**III. Fellow committee members, we should accomplish various tasks defined by this session and create new situation for promoting the CPPCC work. In the course of continuously upholding the basic experiences of Tianjin's CPPCC work, we should make new breakthroughs in the crucial issues affecting the overall situation of the CPPCC work and the weak aspects in the course of our work. For this, we should exert our efforts to grasp the following tasks.**

First, we should add work impetus to political discussion and participation.

**A. We should give better play to the role of the standing committee meetings and chairmanship meetings in political discussion and participation. The standing committee meetings and chairmanship meetings should give consideration to the overall situation; persist in thinking over, grasping, and discussing major issues; and really become the important form of high-level political consultation. For issues which should be consulted, the chairmanship meetings should take the initiative in submitting suggestions to relevant departments. For major issues with a bearing on Tianjin's economic development and social progress, the standing committee should hold discussions and report them to the municipal party committee and municipal government through motions, special reports, and other methods.**

Efforts should be made to improve the structure of discussion topics and pay simultaneous attention to major investigation and study subjects and the discussion topics of meetings. Efforts should also be made to promptly reflect the opinions and suggestions of committee members to the party and government departments and strive to do a good job in knowing where and how the suggestions are implemented.

We should strengthen the work of special committees. We should carry out diversified activities, enhance the enthusiasm of committee members in political participation, and give play to the role of committee members. We should further improve the investigation and study work of the special committees, center on the central tasks and work priorities of the whole municipality, proceed from the reality of the CPPCC Committee, precisely select subjects, and select the right angle. In carrying out investigation and study, we should pay simultaneous attention to the investigation on thinking, policies, and information. We also should pay simultaneous attention to the major investigation and study and the investigation and study that require "a short period but yield good results and high efficiency." In this year, we should take out a batch of key investigation and study results which are valuable and significant and can be used as the reference for policy decisions. We should actively explore new ways for the investigation and study work of the CPPCC Committee and change the course of investigation and study into the course of political consultation, democratic supervision, and political discussion and participation, into the course of finding out the real situation and doing practical things, into the course of enhancing the self education of committee members, and into the course of making policy decisions democratic and scientific. We should strengthen contacts and cooperation with relevant departments of the municipal party committee and the municipal government and actively shoulder responsibility for investigating and studying the key subjects of the whole municipality. At the same time, we should successfully carry out the investigation and study work with the characteristics of the CPPCC Committee itself.

**C. We should further attend to the motions work.** 1. We should devote great efforts to enhancing the quality of motions. Of the motions put forward by committee members, we should select some issues which are of primary concern to the broad masses of people but are temporarily neglected by the party and government departments or the issues which leading organs urgently need all sectors to suggest ways and means; regard them as the priority motions; and pay attention to handling them well. 2. We should devote great efforts to improving the handling and addressing of motions and enhancing its level, as well as giving better play to the role of motions in political discussion and participation.

**D. We should strengthen committee members' inspection work.** In line with the regulations of the CPPCC Constitution, we should organize committee members to

carry out inspection or cooperate with relevant departments to conduct examination work. We should actively support the CPPCC Committee members who are appointed as the special supervisors, inspectors, auditors, and educational inspectors on invitation to fulfill their duties and give better play to their role in democratic supervision.

E. We should further perfect various work systems. We should meet the demands of situational development and tasks as well as unceasingly perfect the systems of meetings, inspections, motions, activities of special committees, and contacts with committee members. We should conscientiously carry out the "regulation of the national CPPCC Committee on political consultation, democratic supervision, and political discussion and participation;" refer to the regulation; act in line with the reality of our municipality; and study and formulate specific measures for implementation.

Second, we should actively carry out diversified study activities.

We should conscientiously organize and promote committee members to study the Marxism-Leninism and Mao Zedong Thought, make special efforts to deeply studying Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, strive to grasp spiritual substance, and unceasingly enhance the ability and level of political discussion and participation. In carrying out the CPPCC study activities during this year, we should regard studying the first, second, and third volumes of the "Selected Works of Deng Xiaoping," the socialist market economic theory, modern scientific and technological knowledge, and the theories of the united front work and the CPPCC Committee as the main content as well as help committee members enhance the level of political discussion and participation. We should understand the attention points of committee members, specifically organize report meetings and forums, and combine study with political discussion and participation. In the course of study, we should create the atmosphere of democratic harmony and encourage committee members to speak out freely and frankly express their opinions.

We should conscientiously carry out the "decision on strengthening the study of the municipal CPPCC leading members" adopted by the chairmanship meeting. The study central group should be the study example and give play to the leading and exemplary role. We should uphold the system of the study meetings of the standing committee and do a good job in the study of the standing committee. We should organize the municipal CPPCC Committee members in various counties and far from urban districts into study groups and carry out study activities.

Third, we should give better play to the role of committee members as the main body of the CPPCC Committee.

1. We should strengthen contacts with the committee members who do not participate in the activities of special

committees. By organizing the activities of report meetings, study meetings, forums, and contact meetings as well as paying visits, we should make close ties with these committee members and listen to their opinions and suggestions. We should call on democratic parties to organize the CPPCC Committee members in their parties to carry out study activities and call on the united front work departments of various districts and departments to organize the CPPCC Committee members in their districts and departments to carry out study activities.

2. We should strengthen the work of listening to and reflecting upon the opinions of committee members. The CPPCC Committee should make ties with committee members and the committee members should make close ties with their representative parties and groups and the masses of relevant fields. The social situation and the will of the people understood by committee members, the real knowledge and deep insight of the masses, and the opinions and suggestions of committee members should be reflected to the party and government leaders and relevant departments through "CPPCC information." Efforts also should be made to monitor and supervise the handling situation as well as realistically and responsibly feed back the handling results to committee members.

3. We should strengthen the work of reporting situations. We should persist in inviting the municipal leaders and the responsible comrades of relevant departments to regularly report situations to committee members in an effort to help committee members understand situations and broaden their vision. We should do a better job in running the "Study Reference Materials," "Tianjin Economic News in Brief," "Hong Kong and Taiwan Information," and other publications so as to provide more information and materials for committee members.

4. We should establish and perfect the incentive mechanism. We should continuously carry out the activities of appraising and selecting excellent motions. We should commend, award, and encourage the excellent motions, investigation, and study results, and valuable information, opinions, and suggestions put forward by committee members.

5. We should create conditions for committee members to participate in the discussion and administration of state affairs from various aspects. In various CPPCC meetings, we should fully carry forward democracy and encourage the free airing of views. We should care for committee members in terms of politics and living and help them resolve practical problems. We should realistically respect that committee members enjoy various democratic rights stipulated in the CPPCC Constitution and help committee members conscientiously fulfill various duties. According to the law, we should safeguard the rights of the CPPCC Committee members to fulfill their duties in line with the CPPCC Constitution.

Fourth, we should make close ties with various democratic parties, federations of industry and commerce,

**All-China Federation of Taiwan Compatriots, and All-China Federation of Returned Overseas Chinese.**

A. We should actively explore effective forms for exchanging ideas and opinions between the leaders stationed in the municipal CPPCC Committee and the responsible people of various democratic parties and relevant mass organizations. We should adhere to the system of holding meetings with the secretary general once a month. We should persist in holding the forum of leaders stationed in the municipal CPPCC Committee and the responsible persons of various democratic parties and of relevant mass organizations during every quarter of the year. We should uphold the system that the chairman and vice chairmen stationed in the municipal CPPCC Committee must visit democratic parties, federations of industry and commerce, and relevant mass organizations during every six months.

B. In line with the regulation of the CPPCC Constitution on "organizing various democratic parties, groups, and people of various nationalities and circles to join the CPPCC Committee to participate in discussion and administration of state affairs," we should study and formulate specific measures for the CPPCC Committee to give play to the "organizational" role and overall advantages. We should continue to do a good job in jointly raising motions, conducting joint investigation and study with various democratic parties and relevant mass organizations or entrusting them to conduct investigation and study, and strengthen the contacts and cooperation in the counterparts in organizational work. We should actively support various democratic parties, federations of industry and commerce, and relevant mass organizations to carry out various activities which are conducive to social public welfare undertakings and be able to promote social progress.

Fifth, we should strengthen the self construction of the CPPCC organs.

The municipal CPPCC organs should readjust administrative bodies and improve the internal relations in the course of organizational reform. We should further establish and perfect various work systems, conscientiously carry out the objective responsibility system of organs, and further enhance the work efficiency and the service level. We should strengthen the ideological education and professional training of office personnel, carry forward the work-respecting spirit of diligent study and hard work, and ceaselessly enhance political and professional quality. Office personnel should conscientiously study theories, study the principles and policies of the united front and the CPPCC work, and strengthen the responsibility sense and consciousness of attending to the CPPCC work. The CPPCC organs should make close ties with committee members, actively create conditions for the units and committee members of political discussion and participation to carry out activities, and make things convenient for them in an effort to make the CPPCC organs really become the home of committee members.

Sixth, we should strengthen study and propaganda on the CPPCC work.

A. We should organize the CPPCC Committee members and office cadres to carry out the work of studying the theories of the united front and the CPPCC Committee. We should conscientiously study the expositions of the united front and the CPPCC Committee given by leaders of the old generation, such as Mao Zedong, Zhou Enlai, and Deng Xiaoping as well as by the third generation of leading collectives of the CPC Central Committee with Comrade Jiang Zemin as the core; study the Constitution, relevant documents of the CPC Central Committee, and the CPPCC Constitution; act in line with the new situation; and study the theories and practices of the CPPCC work under the conditions of the socialist market economy. We should pay attention to summarizing the experiences gained in the course of practice and find out the boundaries of legal recognition in conducting practice. We should actively create conditions and make preparations for establishing the Tianjin Municipal CPPCC Theoretical Research Society.

B. We should further strengthen contacts and cooperation with the departments of propaganda, education, culture, and publication as well as the press units, and strengthen the impetus of propagating the CPPCC work and the activities of the CPPCC Committee members in an effort to let the whole society understand, care for, pay attention to, and support the CPPCC work. We should strive to run well the magazine, "Unity and Democracy," and actively open up the new media front for the CPPCC work.

Fellow committee members, the year 1995 is the last year for comprehensively fulfilling the Eighth Five-Year Plan and also a very crucial year for Tianjin's reform, opening up, and modernization drive. Under the leadership of Tianjin Municipal CPC Committee and with the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, we should conscientiously carry out the guidelines of the 14th National Party Congress and the third and fourth plenary sessions of the 14th CPC Central Committee; act in line with the plans of the third enlarged plenary session of the sixth Tianjin Municipal CPC Committee; unite with people of the whole municipality; advance in pioneering spirits; do our work in a down-to-earth manner; and exert efforts in the struggle of achieving new success in Tianjin's socialist modernization drive and realizing the grand objective of "invigorating the municipality by making people rich or become prosperous" and creating Tianjin's brilliant success once again.

**Northeast Region**

**Heilongjiang Publishes Statistical Communiqué**

**SK0903073395 Harbin HEILONGJIANG RIBAO in Chinese 18 Feb 95 p 2**

[Statistical communiqué issued by the provincial statistical bureau on Heilongjiang's 1994 economic and social development; date not given]

[FBIS Translated Text] The year 1994 was a year in which our country accelerated the pace of building the basic frame of the socialist market economic system. Under the leadership of the provincial party committee and the provincial government, all people of the province worked closely in line with the central major task of "grasping favorable opportunities, deepening reform, expanding the scale of opening up, promoting development, and maintaining stability"; implemented the provincial party committee's economic development ideas and strategic targets; positively promoted the reform of the financial and tax, banking, and foreign trade systems; accelerated the pace of developing the national economy; noticeably improved the livelihood of the urban and rural people; and made headway in various social undertakings, including those in the scientific, educational, cultural, public health, and sports spheres. The initial calculations showed: The annual gross domestic product reached 160.4 billion yuan, an increase of 8.7 percent. Of this, the added value of the primary, secondary, and tertiary industries respectively increased by 8.9 percent, 8.8 percent, and 8.6 percent, respectively accounting for 19.6 percent, 52.9 percent, and 27.5 percent of the total gross domestic product. The province made a good start in pioneering the "second battle field" of the economic development. The added value of the nonstate sectors of the economy increased by 11.8 percent, and the rate of contributions to the economic growth made by the nonstate sectors of the economy reached 56.3 percent. The major problems in economic operation were the excessive price hikes, the more serious contradictions caused by the restrictions of markets, and some state-owned enterprises still had difficulties in production and management.

### 1. Agriculture

In 1994, the province deeply implemented the guidelines of the central rural work conference and the provincial party committee's rural work conference; successively worked out a series of policy measures for strengthening the rural work, consolidating agriculture's role as the foundation of the national economy, and protecting the interests of the peasants; mobilized the broad masses of the peasants' enthusiasm for production; increased the input in agriculture; and accelerated the pace of agricultural production. In 1994, the total agricultural output value of the province reached 53.22 billion yuan, an increase of 12.6 percent over the previous year; and the added value of agriculture reached 31.44 billion yuan, an increase of 8.9 percent, respectively increasing 10.3 percentage points and 4.1 percentage points over the previous year, higher than the figures in the past few years.

The cropping structure was reasonably readjusted. The total grain output surpassed 25 million tonnes. In 1994, the peasants across the province took markets as an orientation; developed high-yield, high-efficient, and good-quality agriculture; and scientifically and reasonably readjusted the cropping structure in line with actual conditions and according to the principle of stabilizing

crop-sown areas, ensuring total output, increasing efficiency, and increasing revenues. The province's grain crop growing areas reached 748,000 hectares, a drop of 57,000 hectares from the previous year. Of this, the paddy rice growing areas reached 748,000 hectares, an increase of 13,000 hectares; the corn growing areas reached 1.964 million hectares, an increase of 187,000 hectares; and the soybean growing areas reached 2.796 million hectares and the wheat growing areas reached 1,195,000 hectares, respectively decreasing 184,000 hectares and 142,000 hectares. The total grain output reached 25.787 million tonnes, showing an increase of 1.879 million tonnes or 7.9 percent over 1993 when the province reaped bumper grain harvests and set another historical record. The major cash crop growing areas reached 665,000 hectares, an increase of 84,000 hectares over 1993. Of this, the oil-bearing crop growing areas reached 174,000 hectares, the flax growing areas reached 82,000 hectares, and the sugar beet growing areas reached 344,000 hectares, respectively increasing 18,000 hectares, 19,000 hectares, and 59,000 hectares; and the flue-cured tobacco growing areas reached 66,000 hectares, a drop of 12,000 hectares from the previous year. The output of major agricultural products was as follows:

	1994	% over 1993
Grain	25.787 million tonnes	7.9
Of this: Paddy rice	4.104 million tonnes	5.7
Wheat	2.753 million tonnes	-19.0
Corn	11.464 million tonnes	19.8
Chinese sorghum	864,000 tonnes	17.9
Food grains other than wheat and rice	477,000 tonnes	70.0
Soybean	5.136 million tonnes	4.5
Potato	746,000 tonnes	-13.3
Oil-bearing crops	155,000 tonnes	-3.5
Flax	217,000 tonnes	27.3
Sugar beets	3.227 million tonnes	8.0
Cured tobacco	89,000 tonnes	-23.6
Vegetables	6.722 million tonnes	same
Fruit	99,000 tonnes	7.2

New headway was made in forestry and greenery. In 1994, the added value of forestry reached 680 million yuan, an increase of 0.6 percent over the previous year. Some 283,000 hectares were afforested, an increase of 13.8 percent over the previous year. The afforestation quality was ceaselessly improved, the prevention of forest fire was strengthened, and the rate of wooded areas increased.

The development of animal husbandry was accelerated. The added value of animal husbandry was 5.13 billion yuan, an increase of 30.0 percent over 1993. The output of major livestock products and the number of animals kept in stock were as follows:

	1994	% over 1993
Meat	1,087 million tonnes	28.9
Of this: Pork	656,000 tonnes	20.8
Beef	180,000 tonnes	62.0
Mutton	24,000 tonnes	32.6
Poultry and eggs	602,000 tonnes	22.1
Milk	1,415 million tonnes	5.5
Sheep wool	13,000 tonnes	16.4
Pigs slaughtered	7,887 million head	22
Domestic poultry slaughtered	126,923 million head	29.6
Large animals in stock (year-end figure)	5.19 million head	17.7
Of this: Milk cows	732,000 head	9.3
Pigs in stock	9,094 million head	14.7
Sheep in stock	3,997 million head	22.1

The fishery industry continued to develop. The added value of fishery was 530 million yuan, an increase of 8.2 percent. The output of aquatic products was 209,000 tonnes, an increase of 10.2 percent. Of this, the output of breeding aquatics reached 158,000 tonnes, an increase of 11.3 percent.

Agricultural production conditions were improved. In 1994, 1,085 million tonnes of chemical fertilizer were applied (100 percent effective content equivalent), an increase of 8.3 percent. Rural consumption of electricity was 2.29 billion kw hours, an increase of 4.1 percent. The aggregate power of farm machinery was 11.9 million kw, an increase of 0.4 percent. There were 82,000 large and medium-sized tractors, a drop of 3.3 percent, and 405,000 small tractors, an increase of 4.7 percent. The irrigation and drainage equipment had a total power capacity of 1.341 million kw, an increase of 1.2 percent. There were 81,000 power-driven threshers, an increase of 5 percent; and 145,000 farm-use water pumps, an increase of 1.9 percent. Effectively irrigated areas reached 1.022 million hectares, a drop of 12.2 percent from the previous year. The development of nonagricultural industries was accelerated in the rural areas. In 1994, the total output value of the nonagricultural industries, including the rural industry, building industry, transportation, commerce, and catering trade, reached 59 billion yuan, an increase of 77 percent. The proportion of the total output value of the nonagricultural industries in the total output value of the rural areas rose from 50.3 percent in 1993 to 52.7 percent. Town and township enterprises made noticeable achievements in carrying out the project of "making extraordinary development." The total output value of the province's town

and township enterprises reached 60 billion yuan, an increase of 60.4 percent; their business income reached 58.71 billion yuan, an increase of 61 percent; their profits reached 3.18 billion yuan, an increase of 37 percent; and the taxes handed over to the higher levels by these enterprises reached 1.52 billion yuan, an increase of 37 percent.

## 2. Industry and Construction Undertakings

In 1994, the province started to conduct enterprise reform with the core of establishing modern enterprise systems. The role played by the market mechanism was apparently enhanced. Industrial production showed a stable increase. The total output value of all industrial enterprises totaled 177.82 billion yuan and showed an 8.9 percent increase over 1993. Of this total output value, that of state-owned enterprises totaled 127.93 billion yuan and showed a 0.3 percent increase over 1993; that of non-state-owned enterprises totaled 49.89 billion yuan and showed a 29.6 percent increase over 1993. The proportion of output value scored by these non-state-owned enterprises increased from 27.6 percent in 1993 to 28.1 percent in 1994. Of the output value scored by these non-state-owned enterprises, that scored by collectively owned ones totaled 32.32 billion yuan and showed a 24.3 percent increase over 1993. Of the output value scored by these collectively owned enterprises, that scored by township industrial ones totaled 9.18 billion yuan and showed a 69.3 percent increase over 1993; that scored by village-run industrial ones totaled 8.64 billion yuan and showed a 47.5 percent increase over 1993; that scored by industrial enterprises jointly and cooperatively run by both urban and rural areas totaled 660 million yuan and showed a 47.9 percent increase over 1993; that scored by individual-run industrial enterprises in both urban and rural areas totaled 10.06 billion yuan and showed a 47.5 percent increase over 1993; and that scored by the "three categories of foreign-funded industrial enterprises" and the industrial enterprises belonging to other economic sectors totaled 7.51 billion yuan and showed a 23.8 percent increase over 1993. Of the output value scored by these foreign-funded enterprises and the enterprises belonging to other economic sectors, that scored by the state-owned holding enterprises totaled 5.37 billion yuan and showed a 5.6 percent increase over 1993. The output value scored by large and medium-sized enterprises across the province totaled 116.56 billion yuan and showed a 2.5 percent increase over 1993, that scored by small enterprises totaled 61.26 billion yuan and showed a 22.8 percent increase over 1993, that scored by heavy industrial enterprises totaled 127.12 billion yuan and showed a 4.1 percent increase over 1993, and that scored by light industrial enterprises totaled 50.7 billion yuan and showed an 18.6 percent increase over 1993. The added

value scored by industrial enterprises in the year totaled 76.15 billion yuan and showed a 9 percent increase over 1993. The output of key industrial products is as follows:

	1994	% over 1993
Chemical fiber	122,000 tonnes	1.4
Cloth	107,265 million meters	-35.1
Flax cloth	41,412 million meters	27.3
Woolen goods	4,378 million meters	25.1
Sugar	150,000 tonnes	-63.1
Dairy products	119,000 tonnes	-3.6
White wine	255,000 tonnes	10.1
Beer	890,000 tonnes	12.1
Cigarettes	789,000 cases	0.5
Machine-made paper, paperboard	492,000 tonnes	-5.8
TV sets	223,000	182.3
Color TV sets	212,000	179.8
Synthetic detergent	22,000 tonnes	-1.5
Plastic products	87,000 tonnes	-7.9
First energy production (standard fuel equivalent)	137,779 million tonnes	1.6
Raw coal	76,405 million tonnes	3.9
Crude oil	56,005 million tonnes	0.2
Natural gas	2.33 billion cubic meters	4.5
Power output	37.82 billion kwh	7.5
Steel	1,106 million tonnes	-11.3
Rolled steel	985,000 tonnes	-10.1
Rolled aluminum	36,000 tonnes	-18.1
Timber	11,143 million cubic meters	1.5
Cement	6,784 million tonnes	-2.9
Plate glass	5,575 million tonnes	14.2
Sulphuric acid	69,000 tonnes	-7.3
Soda ash	60,000 tonnes	-17.7
Synthetic ammonia	607,000 tonnes	13.6
Ethylene	310,000 tonnes	-0.5
Tire	1,922 million	1.4
Power generating equipment	4,11 million kw	10.7
Metal cutting tools	2,318 sets	-38.1
Motor vehicle	24,000	42.5
Small tractor	34,000	52.7

Production was connected with marketing in a basically normal way, and economic efficiency picked up somewhat. In 1994, the industrial enterprises at or above the township level that exercise independent accounting obtained 130.92 billion yuan from selling their products, an increase of 11.2 percent over the previous year, and realized 25.49 billion yuan in profits and taxes, an increase of 38.4 percent. The composite index of the province's industrial economic efficiency was 119.0 percent, up by 5.4 percentage points. Of the six economic efficiency indexes that are under appraisal, the product marketing rate was 95.5 percent, a drop of 1.0 percentage point; the profit- and tax- yielding rate of capital was 13.9 percent, up by 3.3 percentage points; the profit-yielding rate of cost was 10.3 percent, a drop of 0.9 percentage points; the per capita labor productivity was 16,114 yuan/person, an increase of 29.3 percent; the turnover frequency of floating capital was 1.30 times, a reduction of 0.2 times; and the added value rate was 44.2 percent, an increase of 0.1 percentage point. However, the deficits sustained by enterprises remained very serious. The amount of deficits sustained by money-losing enterprises was 4.63 billion yuan, an increase of 10.4 percent, with the range of deficits reaching 22 percent, up by 1 percentage point. The funds tied up by finished products were relatively more, and the loans owed to each other were in a relatively serious situation.

Construction trade developed steadily. In 1994, the added value of construction trade was 8.7 billion yuan, up by 7.7 percent over the previous year. The area of the completed houses built by state-owned construction enterprises was 5.07 million square meters, up by 11.8 percent, and its per capita labor productivity was 29,477 yuan/person, up by 20.0 percent.

### 3. Investment in Fixed Assets

In 1994, under the situation that the state increased the dynamics of macroeconomic regulation and control, the increase speed of the province's investment in fixed assets was somewhat slower from the previous year, maintaining the trend of stable increase. The completed investment in fixed assets was 39.65 billion yuan, up by 24.1 percent, with the increase margin dropping by 12.3 percentage points. Of this, the investment in local projects was 20.41 billion yuan, up by 16.2 percent, with the increase margin declining by 30.6 percentage points. Of the total, the investment of state-owned units was 35.77 billion yuan, an increase of 22.9 percent; that of collective units, 1.09 billion yuan, up by 24.4 percent; and that of individual residents, 2.79 billion yuan, up by 41.3 percent. The capital construction, equipment renewal, and technological transformation projects conducted by state-owned units, each with a value of 50,000 yuan or more, numbered 3,240, 479 fewer than the previous year, of which, the newly started projects numbered 1,983, 586 fewer than the previous year.

The investment structure was improved somewhat. Of the investment in fixed assets made by state-owned

units, investment in capital construction was 16.64 billion yuan, up by 14.6 percent; and that in equipment renewal and technological transformation projects was 9.84 billion yuan, up by 42.5 percent, thus changing the long-standing situation in which the increased speed of investment in equipment renewal and technological transformation projects was slower than that in capital construction projects. Investment in other fixed assets was 5.4 billion yuan, up by 39.6 percent. Investment in real estate was 3.98 billion yuan, up by 2.2 percent. Of the total investment in fixed assets of state-owned units, investment in the primary industry was 570 million yuan, with its proportion in total investment rising from 1.3 percent in 1993 to 1.6 percent in 1994; the investment in the secondary industry was 18.92 billion yuan, with its proportion rising from 59.1 percent to 52.9 percent, of which, the investment in the energy resources industry was 14.87 billion yuan, with its proportion rising from 40.2 percent to 41.6 percent; and the investment in the tertiary industry was 16.29 billion yuan, with its proportion rising from 39.7 percent to 45.5 percent, of which, the investment in transport, post, and telecommunications was 4.82 billion yuan, with its proportion rising from 8.4 percent to 13.5 percent.

New headway was achieved in construction of key projects. In 1994, the large and medium-sized capital construction projects and the key projects under construction in the province numbered 44, and the above-norm equipment renewal and technological transformation projects numbered 42, respectively amounting to 7.19 billion yuan and 1.36 billion yuan of investment, or showing an increase of 3.7 percent and 10.2 percent. The large and medium-sized and key construction projects that were completed and put into production in 1994 included the first-phase formaldehyde project of the Jiamusi Chemical Industrial Plant, the second-phase mountain pear alcohol project of Mudanjiang Pharmaceutical Factory, and the Tangwanghe Shaving Board Plant. The above-norm equipment renewal and technological transformation projects that were completed and put into production in 1994 included the 200,000-set radial tire project of the Hualin Group General Company, the pulp water project of the Harbin Papermaking Mill, and four other projects. The major annual newly added production capacity included 12,000 kilowatts of electricity, 55,700 tonnes of raw coal, 4.247 million tonnes of oil, 125,000 cubic meters of timber, 50,000 tonnes of refined steel, 50,000 tonnes of cement, and 22,000 tonnes of beer. The newly added supply capacity also included the daily 23,000 tonnes of tap water and 1 million cubic meters of goal gas in cities.

#### 4. Transportation, Post, and Telecommunications

Transportation, post, and telecommunications service developed steadily. The 1994 added value of Heilongjiang's transportation, post, and telecommunications industries totaled 6.97 billion yuan, up 7.7 percent from the preceding year. The volume of transportation by various means is as follows:

	1994	% increase over 1993
Volume of freight transport	85.64 billion tonne/km	0.9
Railway	73.02 billion tonne/km	0.7
Highway	5.7 billion tonne/km	1.9
Waterway	1.85 billion tonne/km	3.5
Airway	90 million tonne/km	-17.9
Pipeline	4.98 billion tonne/km	1.4
Volume of passengers		
Transport	22.41 billion person/km	-0.6
Railway	17.07 billion person/km	0.8
Highway	4.29 billion person/km	-0.3
Waterway	20 million person/km	-24.0
Airway	1.04 billion person/km	-19.9

The annual transactions of post and telecommunications service totaled 1.85 billion yuan, up 48.5 percent from the preceding year. Letters totaled 168.91 million, up 2.0 percent; letters for express delivery 1 million, up 67.5 percent; long-distance calls 234.14 million, up 62.7 percent; pager subscribers 283,000, up 67.4 percent; telegrams 6.84 million, down 30.1 percent; newspapers and magazines 518.47 million copies, down 22.9 percent; and the capacity of local program-controlled switchboards 1.56 million lines, up 1.1 times. Telephone subscribers totaled 971,000, up 58.1 percent.

#### 5. Commerce and Commodity Prices

In 1994, Heilongjiang accelerated the establishment of the market system and built a new open and multi-layered market network in its initial form, which took wholesale markets as the mainstay and country fairs as the foundation, and which consisted of both composite markets and specialized markets and both wholesale and retail markets of all sizes. Commodity supplies were sufficient in the market, the supply and demand were by and large in balance, and sales grew steadily. The annual retail sales of consumer goods totaled 53.89 billion yuan, up 20.7 percent; of which 38.26 billion yuan was registered in urban areas, up 21.8 percent, and 15.63 billion yuan in rural areas, up 18.0 percent. In terms of ownership, the consumer goods retail sales of the state-owned economy accounted for 39.7 percent, those of the collective economy 17.3 percent, and those of other economies 33.3 percent. Urban and rural country fair markets increased to 1,893 in the country, and transactions totaled 15.07 billion yuan, up 36.7 percent. The retail sales of peasants to nonagricultural population rose by 37.6 percent.

The sales of the means of production were sluggish. Material supply and marketing departments throughout the province purchased 9.31 billion yuan worth of means of production in 1994 and sold 9.69 billion yuan worth of means of production, both down 30.6 percent from the preceding year. Judging from the sales of major materials, the sales of motor vehicles grew by 24.4 percent, and those of rolled steel, coal, timber, and machinery and electric equipment declined. The stockpiles of rolled steel and motor vehicles rose by 7.6 and 12 percent, respectively; and those of coal, timber, cement, and machinery and electric equipment showed a substantial decrease.

Price reform was expedited, and prices rose by a large margin. Following the price reform conducted in the past few years, the state executed a series of price adjustment measures one after another in 1994, raising the grain purchasing and marketing prices by a large margin and adjusting and raising the prices of a large number of commodities under the state or provincial control, such as electricity, crude oil, refined oil, chemical fertilizer, and transportation, post, and telecommunications service. This played a positive role in rationalizing the relations between various sectors in terms of prices, changing the long-standing low prices of basic products, and gradually establishing the market-oriented price mechanism, but it also led to a large increase in prices. The annual general retail price index rose by 20.7 percent from the preceding year, and the growth rate was 6.1 percentage points higher than in the preceding year.

The following were the changes in prices in 1994 compared with the previous year:

	Increase over 1993
Cost of living prices for residents	21.9
of which: urban areas	22.0
rural areas	21.3
of which: medical and health-care	6.8
means of transportation and telecommunications	5.1
housing	18.1
service items	13.7
Retail prices of commodities	20.7
food	32.3
grain	45.5
meat, poultry, eggs	38.5
clothing, shoes, hats	18.5
daily necessities	14.0
cultural and sports articles	10.2
books, newspapers and magazines	36.6
Chinese and Western medicines and medical goods	10.5

	Increase over 1993
building and decoration materials	17.0
fuels	7.3
machinery and electric products	same
Transaction prices of farm products	30.3
Prices of agricultural means of production	25.9
Purchasing prices of raw materials, fuels and power equipment	19.3
Factory prices of industrial goods	28.9
Prices of products for investment purpose	9.0

#### 6. Foreign Economic Relations and Tourism

The accelerated pace in reforming foreign trade and the fixing of the exchange rate in 1994 brought new changes to the structure of foreign trade. The structure of imports and exports changed from that of dealing primarily with traditional bartering to sporting the exchange trade. The total value of foreign imports and exports during the year came to \$3.09 billion, up 1.1 percent over the previous year, of which, the value of imports totalled \$1.25 billion, up 7.2 percent, and that of exports, \$1.84 billion, a decline of 2.6 percent. Judging from the foreign trade pattern, the total value of imports and exports during barter trade came to \$1.64 billion, a decline of 21.7 percent, and its proportion in the total volume of imports and exports dropped from 68.4 percent in the previous year to 53.0 percent; the total value of imports and exports of the spot exchange trade came to \$1.45 billion, up 50.4 percent, and its proportion in the total volume of imports and exports increased from 31.6 percent in the previous year to 47.0 percent.

New progress was made in foreign economic and technological cooperation. In 1994, we successfully held the fifth "Harbin Trade Fair." The volume of capital introduced from foreign countries signed in the agreements declined, and the volume of foreign funds actually used, rose. During the year, 706 agreements on using foreign capital were signed, a decline of 59 percent from the previous year, the volume of contracted use of foreign capital totalled \$760 million, a decline of 30.1 percent (of which \$610 million came directly from foreign businessmen, a decline of 38.3 percent). The actual use of foreign capital totalled \$490 million, up 63.9 percent. Along with the unceasing expansion in the sphere of opening up, by the end of 1994, 3,781 "three types of foreign-funded" enterprises registered an increase of 26.8 percent over the previous year in the industrial and commercial departments.

International tourism was invigorated, and in 1994, it increased by 7.2 percent with 138,000 foreigners, overseas Chinese, and compatriots from Hong Kong and Macao who came to visit the province for sightseeing,

observation, to visit relatives, and conduct various activities. The income in foreign exchange from tourism was \$13.15 million.

#### 7. Finance and Banking

In 1994, the financial departments across the province positively carried out financial and tax systems reforms, firmly attended to increasing revenues and reducing expenditures, and strived to balance revenues and expenditures. Initial statistics showed: The annual local revenues reached 8.37 billion yuan, surpassing the fiscal budgeted target by 25.9 percent and showing an increase of 20.8 percent over the previous year when calculated in terms of the comparable items. Expenditures reached 14.24 billion yuan, accounting for 90.6 percent of the annual readjusted budgeted target and registering an increase of 14 percent over the previous year when calculated in terms of comparable items.

The reform of the banking system was decided on smoothly and carried out steadily. The year-end savings deposits of the province's banks and monetary organizations reached 116.87 billion yuan, showing an increase of 29.5 billion yuan over the figure at the beginning of the year. The newly added savings deposits doubled the figure of the previous year. The savings deposits of urban and rural dwellers reached 78.98 billion yuan; and those by enterprises, 30.62 billion yuan, respectively accounting for 67.6 percent and 26.2 percent of the total savings deposits. Loans reached 150.26 billion yuan, an increase of 25.53 billion yuan over the figure at the beginning of the year. The newly added loans increased by 13.3 percent; and the accumulated credit debit balance reached 33.38 billion yuan, a drop of 9.6 percent from the 1993 figure of 36.94 billion yuan. The banks' cash income reached 258.59 billion yuan, an increase of 67.7 billion yuan or 35.5 percent over the previous year; and the cash expenditures reached 274.4 billion yuan, an increase of 69.93 billion yuan or 34.2 percent. After balancing revenues and expenditures, the net currency input reached 15.81 billion yuan, an increase of 2.23 billion yuan or 16.4 percent.

#### 8. Science, Education, Culture, Public Health, and Sports

Scientific and technological undertakings developed vigorously. In 1994, the province made 226 scientific and technological findings of various categories, of which 31 attained advanced international levels, 71 were unprecedented findings or occupied leading positions at home, and 78 were the province's key scientific and technological findings. The awarded key scientific and technological findings include: Overall development of the Sanjiang Plain area; a new variety of high-protein, high-yield, and early-maturing spring soybean, named Heilongjiang Agriculture No. 35; popularization of water-saving techniques for irrigating farmland sown with paddy rice; research on the imported 300,000-kilowatt steam turbine' low-pressure rotors; assessment

of the first-grade HTTHP and LTLP major circulatory screened motor-driven pumps; the molten steel measurement equipment; the project for tackling key scientific and technological problems in producing white spirits; and new techniques for degumming flax; special features and mechanisms of clinical medicines for epidemic hemorrhaging. The province applied for 2,665 patent rights from the state and received approval for 1,477 patent rights.

The input in science and technology increased. In 1994, the spending on scientific and technological activities totaled 1.16 billion yuan, an increase of 10.5 percent over the previous year. Of this, the spending on research and development was 230 million yuan, an increase of 21.1 percent. The contingents of specialized technicians were continuously expanded. In 1994, the province had 942,000 specialized technicians of various categories, an increase of 0.6 percent.

Technology markets were brisk. In 1994, the province signed 5,882 technology contracts, a drop of 11.3 percent from the previous year. Some 950 million yuan were involved in the contracts, an increase of 20.3 percent. Of this, the scientific research units transferred 1,218 scientific and technological findings to industrial enterprises and earned 300 million yuan from the transfer, respectively increasing 48 percent and 173 percent.

Quality inspection, standardization, and weather forecasting service were further perfected. In 1994, the province had 194 product quality supervision and management organs and established 71 weather stations with ultrashort-wave weather warning service systems.

Environmental protection made headway. Heilongjiang has 115 stations supervising and monitoring environmental protection and five state-level nature reserves. A total 195 projects on meeting pollution control requirements within fixed periods were completed in the year, and investment totaled 38 million yuan. In urban areas, 311 smoke and dust control areas amounted to 574 square km and 237 areas subject to noise control standards covering 369 square km, were established.

New progress was achieved in education. The development of regular higher education was expedited. In 1994, Heilongjiang enrolled 1,879 new graduate students, up 9.1 percent from the preceding year, to make the total number of graduate students 5,094, up 16.1 percent. Regular schools of higher learning took in 34,000 new undergraduate students to make their total number of students 109,000, up 3.9 and 12.9 percent, respectively, from the preceding year; and 23,000 students graduated, an increase of 7.4 percent. Secondary specialized education developed steadily. Secondary specialized schools enrolled 35,000 new students to make their total number of students 87,000, up 2.3 and 6.5 percent, respectively, over the preceding year; vocational high schools had 125,000 students, up 1.3 percent; and skilled worker schools enrolled 35,000 new students to make their total number of students 110,000, up 2.0 and 0.2 percent,

respectively. Elementary education was intensified gradually. In 1994, Heilongjiang had 1.443 million junior high school students and 3.765 million primary school students, up 1.4 and 8.4 percent, respectively, from the preceding year. School-age children's school attendance rate was 98.5 percent; the number of primary school graduates attending higher-level schools rose from 82.7 percent in the preceding year to 84.8 percent; and the number of junior high school graduates attending higher-level schools rose from 36.1 to 46.0 percent. Junior high school dropouts declined from 8.7 percent in the preceding year to 4.6 percent, and primary school dropouts from 2.4 to 1.2 percent.

More people attended adult schools, and the various forms of technical training developed vigorously. Adult schools of higher learning took in 42,000 new students in 1994, up 24.3 percent from the preceding year; and the total number of their students was 100,000, up 18.6 percent. Adult schools offering secondary specialized courses took in 62,000 new students to make their total number of students 129,000, up 70.8 and 23.7 percent, respectively; adult junior high schools and adult primary schools had 268,000 students, up 41.7 percent; and 68,000 illiterate persons became literate.

Cultural undertakings yielded splendid results. By the end of 1994, Heilongjiang had 94 art performing groups, 1,373 mass art and cultural centers (stations), 96 public libraries, 23 museums, 157 archives, 72 radio stations, 45 medium- and short-wave radio transmission and relay stations, 36 television stations, and 996 television transmission and relay stations, and it produced 8,567 hours of television programs. Twenty-one television dramas consisting of 236 episodes were produced in the year, and seven won awards. Twelve radio dramas were produced, and seven won awards. We had 3,186 movie-projection units by the end of the year. We published 620 million copies of newspapers, 63.722 million copies of magazines, and 110 million copies of books and pictures.

Public health developed steadily, and medical care conditions were further improved. Hospitals, sanatoriums, and clinics increased to 7,714 in Heilongjiang by the end of 1994, and they had 128,000 beds, up 3.9 percent from the preceding year. Professional medical personnel totaled 179,000, of whom 74,000 were doctors and 52,000 were nurses, including senior nurses. Among the doctors, 56,000 were doctors of western medicine.

Sports undertakings made new headway. Heilongjiang won 57.5 gold medals, 52 silver medals, and 44.5 bronze medals at large sports contests at home and abroad in the year. Its athletes broke one world record, one Asian record, and one domestic record. It held 866 sports meets at and above the county level with the participation of 683,000 persons. A total of 3.16 million people met the "national standards for physical exercises."

Population growth rate was put under control. Calculated according to the 1994 sample survey of the change in the province's population, the birth rate was 15.15 per

thousand, a drop of 0.75 permillage points from the previous year; and the death rate was 5.47 per thousand, a drop of 0.05 permillage points, resulting in a natural growth rate of 9.68 per thousand, a drop of 0.7 permillage points. It is estimated that by the end of 1994, the total population of the province was 36.72 million, an increase of 320,000 persons, or 0.9 percent, over that of the end of 1993.

The employment system improved gradually. In 1994, there were 1,569 job search agencies of various levels in the province, and 210,000 job-seekers found jobs through these agencies. By the end of 1994, the unemployment rate in urban areas was 2.4 percent. At the end of 1994, staff and workers in the province numbered 8.588 million, 52,000 fewer than that of the end of the previous year, a decrease of 0.6 percent. Of this total, workers employed on a contract basis numbered 1.432 million, with their proportion in the total payroll rising from 15.4 percent to 16.7 percent. By the end of 1994, employees of private enterprises and individual workers in cities numbered 829,000, an increase of 191,000 persons, or 29.9 percent, over that at the end of the previous year.

Along with the state wage system reform, the level of workers' wages was raised by a wide margin. In 1994, the total wage bill of staff and workers in the province was 26.85 billion yuan, an increase of 19.5 percent over the previous year, and the average cash wage of staff and workers was 3,200 yuan, an increase of 20.3 percent, respectively declining by 2 percent and 1.4 percent if price rises are excluded. However, the proportion of workers whose income is not covered by their wages and the income of other laborers, increased by a relatively wide margin. According to the sample survey of urban residents, by the end of 1994, income of urban residents available for living expenses amounted to 2,317.6 yuan, an increase of 32.8 percent over the previous year, or a real increase of 8.8 percent if price rises were deducted. Peasants' income increased substantially. According to the sample survey of rural residents, in 1994 the per capita net income of peasants was 1,393.6 yuan, an increase of 366 yuan, or 35.5 percent, over the previous year, or a real increase of 7.2 percent if price rises are deducted.

Living conditions of urban and rural residents further improved. In 1994, the state investment in building residences for staff and workers amounted to 6.49 billion yuan, an increase of 11.7 percent over the previous year, and a total of 8.762 million square meters of new residential buildings were completed, an increase of 11.8 percent over the previous year. The per capita housing space of urban residents was 6.7 square meters, 0.2 square meters more than that in the previous year. The per capita housing space of peasants was 14.7 square meters, 0.17 square meters more than the previous year.

Social welfare undertakings continued to develop. In 1994, 44,000 organs, old people, handicapped people, and infants were supported by the province's social

institutions. There were 1,113 old folks' homes run by social institutions, taking in 28,000 old persons. There were 29 social welfare institutions, children's welfare institutions, and psychiatric hospitals run by civil administrative departments, taking in 7,127 persons.

Insurance services became brisker and brisker. In 1994, the premium for insurance of various kinds totaled 222 billion yuan. The total revenue of insurance businesses was 1.24 billion yuan, a decline of 8.6 percent from the previous year, and the total expenditure was 1.14 billion yuan, an increase of 36.4 percent. The province handled a total of 272,000 indemnity cases, and paid 690 million yuan in indemnity.

**Notes:** 1) All the figures in this communique are preliminary statistics.

2) The gross domestic product, the added value of all industries, and total output value quoted in this communique are at current prices for the year, whereas growth rates are calculated at comparable prices.

3) The gross domestic product and the added value of all industries mainly include laborers' remunerations, profit and tax, and depreciation charge and exclude the values of energy resources, raw materials, and various other intermediate consumption materials.

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[FBIS Translated Text] In 1994, in line with the major policy of "seizing the opportunity, deepening reform, opening wider to the outside, promoting development, and maintaining stability," the province as a whole conscientiously implemented the various state policies and measures on macroeconomic regulation and control, comprehensively reformed financial and tax, banking, foreign exchange and foreign trade, and investment systems, opened even wider to the outside, optimized economic structure, vigorously developed the new economic growth points, appropriately handled the relations between reform, development, and stability, made great efforts to overcome and resolve the difficulties and contradictions in economic life, and maintained sound and rapid development of the national economy, thus basically fulfilling the anticipated goal of pushing the economy to a new height in three years. The gross domestic product of the province for the whole year was 97.4 billion yuan, an increase of 14.1 percent over the previous year. Structure of the primary, secondary, and tertiary industries improved somewhat. The added value of the primary, secondary, and tertiary industries in 1994 increased by 9.8 percent, 14.1 percent, and 17.8 percent over the figures in the previous year respectively, with the added value of the tertiary industry accounting for 29.3 percent of the total, an increase of 0.1 percentage

point. Major problems in economic operation included the inordinate price rises, the difficulties in production and management of some state-owned enterprises, and the poor efficiency in the overall economy. All these problems need to be resolved through the further deepening of reform.

### 1. Agriculture

The rural economy developed in an all-around way, a bumper harvest was reaped in grain and peasants' income increased. In 1994, the province as a whole conscientiously implemented the central authorities' major policies and measures for supporting agriculture, increased the investment in agriculture, enhanced the support to agriculture, truly reduced peasants' burdens, and vigorously developed diversified management and township and town enterprises, thus promoting the all-around development of agriculture. In 1994, the province's agricultural added value was 24.15 billion yuan, an increase of 9.8 percent over the previous year, or accounting for 24.8 percent of the gross domestic product.

By gearing crops to market demands, the province expanded the cropping acreage, reasonably readjusted the cropping structure, and extensively applied new farming technology after overcoming the serious droughts, floods, and waterlogging in some localities, thus reaping a bumper harvest in grain and some cash crops. Grain output surpassed 20 billion kg, the second highest harvest in the province's history. The cropping added value for the whole year increased by 3.5 percent over the previous year.

Output of major agricultural products was as follows:

Product	1994	% increase over 1993
Grain	20.157 million tonnes	6.0
Of which: corn	14.394 million tonnes	7.1
paddy rice	2.927 million tonnes	1.3
soybean	1.068 million tonnes	-1.2
Oil-bearing crops	287,000 tonnes	0.2
Of which: sunflower seeds	164,000 tonnes	-7.9
Beets	976,000 tonnes	0.4
Flue-cured tobacco	21,000 tonnes	-46.2
Flax	4,000 tonnes	33.6
Vegetable	5.125 million tonnes	3.0
Melons (for fruit use)	598,000 tonnes	12.0

Animal husbandry production continued to develop rapidly, and the degree of commodity of livestock products was enhanced further. The coordination-type economic pattern of "corporation plus peasant households," represented by Deda Corporation, was popularized throughout the province. The 12 "coordinated process" project covering the six series of "pigs,

cattle, geese, sheep, deer, and rabbits" was carried out in a planned way, thus obviously increasing the degree of specialization and intensive management of animal husbandry production and accelerating the development of animal husbandry production. In 1994, the added value of animal husbandry went up by 34.1 percent over the previous year.

The output of major livestock projects and the number of animals kept in stock were as follows:

Product	1994	% Increase over 1993
Meat	992,000 tonnes	29.4
Of this: Pork	618,000 tonnes	28.0
Beef	116,000 tonnes	36.5
Milk	104,000 tonnes	11.3
Poultry and eggs	404,000 tonnes	23.5
Sheep wool	11,000 tonnes	11.2
Pigs slaughtered	6.499 million head	26.3
Pigs at year's end	6.66 million head	17.3
Large animals at year's end	4.24 million head	17.7
Of this: Cattle at year's end	3.102 million head	28.2
Sheep at year's end	2.715 million head	12.2

New achievements were made in forestry and afforestation. In 1994, 128,000 hectares were afforested, an increase of 23.2 percent over the previous year. The province's forest coverage rate reached 37.9 percent. The province made gratifying achievements in prevention of forest fire and ensured that no serious forest fires took place for 14 consecutive years. The added value of forestry increased by 16.2 percent over the previous year.

Fishery continued to develop. The output of aquatic products reached 105,000 tonnes, an increase of 7.1 percent. The added value of fishery increased by 8.7 percent.

Town and township enterprises, as new economic growth points, were developed in a sustained and fast manner. The statistics, compiled by the provincial town and township enterprise bureau, showed that the total output value of the town and township enterprises reached 46.42 billion yuan, an increase of 42.7 percent over the previous year; and their profits reached 2.84 billion yuan, an increase of 36.5 percent. By the end of the year, the number of towns and townships each creating 100 million yuan of output value rose from 55 in 1993 to 94 and a township created 1 billion yuan of output value. So far, 100 small industrial zones have been established.

Agricultural production conditions continued to improve. In 1994, the aid-agriculture loans granted by the province's banks and credit cooperatives increased

by 330 million yuan. The scale of rejuvenating agriculture with science and technology was ceaselessly expanded; and the applied techniques, such as fertilizer applied according to directions, plastic sheds, and inter-planting and intercropping, were extensively used. The construction of farmland water conservancy projects was ceaselessly strengthened. Some 230 million cubic meters of earth and stone were used to build farmland water conservancy projects. Some 1,000 hectares of effective irrigated areas increased. The aggregate capacity of farm machinery reached 6 million kw. The 418 million standard mu of farmland were operated with farm machines, an increase of 9.8 percent over the previous year. A total of 918,000 tonnes of chemical fertilizer (100 percent effective content equivalent) were used, an increase of 5.8 percent; and the consumption of electricity in the rural areas reached 3.15 billion kw hours, an increase of 8.6 percent.

The major problems in agricultural development included that the prices of agricultural capital goods increased excessively and the natural disaster combating capability became weakened.

## 2. Industry and Building Industry

In 1994, the industry and the building industry continued to develop steadily and became key industries to support the province's rapid economic development. The added value of the province's secondary industry was 44.75 billion yuan, registering an increase of 14.1 percent and accounting for 45.9 percent of the gross domestic product. The industrial production continued to increase. In 1994, the province as a whole took the campaign of "changing mechanisms, grasping management, enhancing internal strength, and increasing economic results" as the main line of the industrial economic work; took market demands as an orientation, structural readjustment as key points, and the enlivening of enterprises as a center; accelerated the pace of changing enterprise management mechanisms; and promoted sustained and fast development of the industrial production. The added value of the province's industry reached 39.08 billion yuan, showing an increase of 14.7 percent over the previous year and accounting for 40.1 percent of the gross domestic product. Of the entire industry, the development of the industry of other sectors of the economy and the collective sector industry was still faster than that of the state sector industry. In the course of deepening reform, a large number of state-owned large and medium-sized enterprises entered markets to seek existence and development; thus, noticeably enhancing their vitality and stimulating the province's industrial development. The added value of the state-owned industrial enterprises increased by 15.9 percent and that of large and medium-sized industrial enterprises increased by 15.2 percent. With heavy historical burdens and due to poor management, some enterprises still had management difficulties.

Light and heavy industries developed in coordination in the province. Affected by the strict control over the scale

of investment in fixed assets, the pattern that the growth of heavy industrial production was obviously faster than that of light industry changed to some extent. The growth of energy resources, raw materials, and investment-oriented machinery and electronics products was relatively slow. The 1994 added value of heavy industry engaged by the enterprises at or above the township level reached 26.01 billion yuan, an increase of 13.2 percent over the previous year. Affected by market demands, high-grade light industrial products and new high-tech light industrial products developed in a fairly rapid manner, and the light industrial products with agricultural products as their raw materials promised a good situation in production and marketing. The 1994 light industrial added value reached 8.709 billion yuan, an increase of 10.5 percent over the previous year.

Output of major industrial products was as follows:

	1994	% increase over 1993
Cloth	138 million meters	-4.6
Chemical fiber	69,000 tonnes	96.4
Woolen fabrics	4,494 million tonnes	-4.3
Machine-made paper and paperboard	520,200 tonnes	-6.3
Beer	678,200 tonnes	9.4
Cigarettes	610,300 boxes	-13.5
Sugar	29,000 tonnes	-72.8
Synthetic detergents	21,000 tonnes	20.2
Wrist watches	1.163 million	-0.3
TV sets	102,300	-4.0
Of which: color sets	88,100	44.4
Household washing machines	205,600	-27.7
Household refrigerators	171,600	-0.5
Plastics products	77,200 tonnes	-8.9
Total energy production (standard fuel equivalent)	25,009,100 tonnes	6.2
Raw coal	24,608,500 tonnes	2.1
Crude oil	3,439,400 tonnes	1.8
Processed crude oil	4,107,800 tonnes	-1.0
Electricity	25.34 billion kWh	7.8
Of which: hydro-electricity	5.634 billion kWh	12.1
Rolled steel	838,000 tonnes	-14.7
Two kinds of nonferrous metals	52,400 tonnes	23.4
Ferroalloy	286,300 tonnes	-1.6
Timber	4,734,400 cubic meters	1.3
Plate glass	2,292,400 heavy boxes	2.7

	1994	% increase over 1993
Cement	6,452,300 tonnes	-2.8
Sulfuric acid	124,800 tonnes	11.1
Soda ash	32,000 tonnes	21.5
Caustic soda	92,100 tonnes	4.1
Synthetic ammonia	473,900 tonnes	8.8
Chemical fertilizers (100 percent of effective composition)	310,800 tonnes	9.7
Calcium carbide	92,100 tonnes	4.0
Plastics	72,600 tonnes	11.8
Cover tires	864,700	3.7
Metal-cutting machine tools	1,691.00	-28.0
Automobiles	190,100	7.4
Tractors	895	-30.8
Small tractors	42,300	72.5
Locomotives	1,022	15.9

New results were achieved in developing new products. In 1994, 2,250 new products were developed in the province. The new products put into production realized 2.85 billion yuan in total output value and 440 million yuan in profit tax, registering an increase of 14.0 percent and 7.3 percent over the previous year respectively.

The state-owned industrial enterprises achieved new progress in deepening reform. The province as a whole took the work to define property rights as a focal point, actively expedited enterprise reform, and emphatically grasped the implementation of imposing self-determination right on enterprises. By the end of 1994, the number of state-owned industrial enterprises across the province which had conducted shareholding reform, totalled 86; enterprises that sold their property rights totalled 74; enterprises that joined in joint-ventures totalled 359; and enterprises that conducted the reform of becoming monopoly-capital companies totalled 12. The number of enterprises across the province that had enforced production mergers, associations, and transfers, totalled 147; and that of enterprises that had announced their bankruptcy totalled 24. The province as a whole established 51 enterprise groups of various categories. Of these groups, the group of No. 1 Motor Vehicle Plant; the group of Jilin Chemical Industrial Corporation; and the Forestry Enterprise Group; have been listed in the 55 large enterprise groups in the country. The province was vigorously making preparations for taking up the pilot work to establish modern enterprise systems.

Economic results scored by enterprises were not ideal. The index of comprehensive economic results scored in the year by enterprises at or above the township level which were enforcing independent accounting, reached 75.82 percent and showed a 4.55 percentage point

decrease over 1993. In this index, the rate of taxes and profits earned from funds reached 7.34 percent and was equal to that of 1993; and the rate of products' sales reached 94.9 percent and showed a 1.2 percentage point decrease over 1993. The province realized 9.975 billion yuan in taxes and profits in the year, a 17.2 percent increase over 1993. Of this volume, profits totalled 2.301 billion yuan and showed a 28.3 percent decrease over 1993. There were quite a few money-losing enterprises and quite a bit of lost funds due to the greater scale of price hikes among the intermediate products, including raw materials and energy resources; of the stagnant sales of some products; and of the poor management of some enterprises. The number of money-losing enterprises at or above the township level, which were enforcing independent accounting, totalled 2,683. The volume of lost funds totalled 2.813 billion yuan and showed a three percent increase over 1993. The proportion of money-losing enterprises in the total number of enterprises was 21.7 percent.

The production of building industry achieved stable development. The added value scored by construction enterprises across the province in the year totalled 5.67 billion yuan and showed a 9.1 percent increase over 1993. The per labor productivity scored by the state-owned construction enterprises across the province totalled 28,630 yuan and showed a 1.6 percent increase over 1993. The acreage of built houses in the year totalled 10.222 million square meters and showed a nine percent decrease over 1993.

The work to conduct geological prospecting and survey achieved new progress again. The work volume of mechanized geological prospecting totalled 26,000 meters. Two mineral deposits were discovered and two categories of newly-found mineral deposits were defined.

### 3. Investments in Fixed Assets

Investments in fixed assets showed an adequate increase. The province invested 29.28 billion yuan of investments in fixed assets in the year, a 15.5 percent (an 8.6 percent excluding the factor of price hikes) increase over 1993. Of this volume, investments made in local projects totalled 22.83 billion yuan and showed an 18.8 percent increase over 1993; investments made by state-owned units totalled 24.44 billion yuan and showed a 26.3 percent increase over 1993; investments made by collectively-owned units totalled 2.37 billion yuan and showed a 1.3 percent increase over 1993; and investments made by individual-run units in both urban and rural areas totalled 2.48 billion yuan and showed a 9.7 percent increase over 1993. The number of newly-opened projects decreased. There were 1,318 new projects for capital construction and technical renewal and renovations, each with over 50,000 yuan of investment made by the state-owned unit in the year, a decline of 524 projects from 1993.

The structure of investments made by state-owned units improved slightly. State-owned units invested 13.51 billion yuan in capital construction in the year, a 26.5

percent increase over 1993. Of this volume, investments made in technical renewal and renovations totalled 5.3 billion yuan and showed a 17.5 percent increase over 1993; investments made in building marketable houses totalled 4.13 billion yuan and showed a 39.5 percent increase over 1993; and investments made in other fields totalled 1.49 billion yuan and showed a 26.3 percent increase over 1993. Of the investments made in the year, those made in the projects of communications, transportation, as well as of post and telecommunications, totalled 2.45 billion yuan and showed a 31 percent increase over 1993. Of the investments made in the projects of technical renewal and renovations, those made in the projects of saving energy resources, increasing variety of products, upgrading the quality of products, and of bringing "three wastes" under control, totalled 2.3 billion yuan and showed a 33.7 percent increase over 1993.

The construction of key projects was continuously accelerated. Some 6.97 billion yuan was invested in 22 state-planned large and medium-sized capital construction projects, fulfilling 78 percent of the annual plan. Of them, the single items of Shuangliao powerplant, Jilin Oil Field's development project, Jilin power transmission and transformation project, and the project of the Hongshi forestry administrative bureau were built and went into operation. The project for expanding and technologically transforming the light and medium-sized vehicle manufacturing workshop of the Changchun No. 1 Vehicle Manufacturing Plant, covered in the the Seventh Five-Year Plan, was completed and put into operation. A total 660 million yuan was invested in 20 above-quota equipment renewal and technological transformation projects covered in the state and provincial plans, attaining 91.7 percent of the annual plan. Of these projects, the Siping city postal and telecommunications bureau and Baicheng city's general electric engineering and cable plant were built and began operations. The 10 major projects, covered in the Eighth Five-Year Plan and directly affecting the province's reserve strength for economic development, are progressing smoothly. At the beginning of the year, the provincial government arranged the Changchun No. 1 Vehicle Manufacturing Plant's project for producing 150,000 Dazhong-brand sedan cars as the province's no. 1 project, and mobilized all forces of the province to support this project. Simultaneously, the provincial government organized all trades and professions to coordinate offer capital to ensure the construction of the Jilin Chemical Industrial Corporation's ethylene project. The project for intensively processing 1 million tonnes of corn, the Changchun- Siping Expressway, the (Tumen-Maharino) international railway line, Changchun Airport, Yanji Airport, and the water supply project for diverting Songhua Jiang water to Changchun have comprehensively started construction.

A total of 1,151 state-owned units' capital construction, equipment renewal, and technological transformation projects were completed and went into operation. Of this,

758 were capital construction projects and 393 were equipment renewal and technological transformation projects. Some 8.99 billion yuan of fixed assets were newly added. Some 47.8 percent of fixed assets were made available to users, a drop of 7.7 percentage point from the previous year. The newly added major production capacity and efficiency included 110,000 tonnes of petroleum recovering capacity, 350,000 kilowatt installed power capacity, 150,000 cubic meters of timber cutting and transporting capacity, 155,000 cement production capacity, 18 kilometers of 220,000-volt power transmission lines, and 47,000 vehicle manufacturing capacity.

#### 4. Transport

Transportation and postal and telecommunication production steadily developed. Their annual added value reached 6.14 billion yuan, an increase of 14.5 percent over the previous year. Due to the slow increase in the transportation of agricultural and industrial products to other places, the strain on railway transportation was alleviated.

The volume of transportation by various means was as follows:

	1994	% Increase Over 1993
Volume of freight transport	47.42 billion tonne-km	1.7
Railway	39.3 billion tonne-km	-1.2
Highway	8 billion tonne-km	18.9
Waterway	120 million tonne-km	-1.7
Volume of passenger transport	17.15 billion person-km	2.3
Railway	12.4 billion person-km	0.3
Highway	4.73 billion person-km	7.7
Waterway	20 million person-km	0

Civil aviation undertakings continued to develop rapidly. In 1994, five new air routes opened. By the end of the year, the province had 35 domestic and international air routes. Some 370,000 passengers were transported during the year.

Postal and telecommunications undertakings developed rapidly. The postal and telecommunication business transaction volume totaled 1.55 billion yuan, an increase of 45.3 percent over the previous year. Of this, the postal business transaction volume reached 210 million yuan, an increase of 20.4 percent; and the telecommunication business transaction volume reached 1.24 billion yuan, an increase of 50.7 percent. The communication capacity was further improved. A total of 527,000 urban program-controlled telephone switchboards, 240,000 long-distance telephone switchboards, 67,000 rural telephone switchboards, and 100,000 long-distance telephone circuits were newly added. By the end of the year,

the province had 1.79 million telephone switchboards, an increase of 50.4 percent over the previous year. There were 1.146 million telephone subscribers, an increase of 38.7 percent.

#### 5. Domestic Trade and Market Prices

The domestic market for consumer goods was stable and flourishing. Industrial and agricultural production developed fairly rapidly and there was an ample supply of commodities on the market. Departments for circulation of goods deepened reform and adopted flexible business forms. The annual retail sales of commodities totalled 39.67 billion yuan, up 21.9 percent over the previous year (the actual increase was 1.4 percent if the price factor was deducted). The increase in sales at rural markets was accelerated and the gap between the range of increase in market sales of the urban and that of the rural areas was narrowed. The annual retail sales of consumer goods in cities and towns totalled 34.12 billion yuan, up 22.4 percent over the previous year; the retail sales of consumer goods in the rural areas came to 5.55 billion yuan, up 18.9 percent.

Both growth and decrease were registered in the retail sales of goods of the circulation enterprises of various economic sectors. The role played by the nonstate sector of the economy was strengthened noticeably. The annual retail sales of state-owned enterprises came to 12.663 billion yuan, up 7 percent over the previous year; that of the collective enterprises, 5.366 billion yuan, a decline of 13 percent; and that of other units, 21.64 billion yuan, up 41.7 percent. The retail sales of goods which peasants directly sold to the urban residents totaled 5.542 billion yuan, up 44.7 percent. Judging from the retail sales of consumer goods of various categories, the sales of food items and goods for daily use increased by a fairly large margin. Among the large and medium-sized commercial enterprises, the retail sales of sugar and tea increased by 25.3 percent to 30.7 percent; among the goods for daily use, the sales of color television sets, cassette recorders, cameras, household electric fans, household washing machines, and household refrigerators increased by more than 12.7 percent.

Sales of means of production on the market were dull. Affected by macroeconomic regulation and control, investment demands declined, the rise in the prices of the means of production began to decline, but sales were not brisk. During the year, the supply departments across the province bought in 4.72 billion yuan worth of means of production, a decline of 35.1 percent from the previous year; and sold 5.216 billion yuan worth of means of production of various categories, a decline of 33.4 percent. The sales of major means of production dropped by a varying degree, of which, the sales of steel products dropped by 40.1 percent, cement, 39 percent, and vehicles, 29.6 percent.

The pace of building markets was accelerated. The annual investment for building various kinds of markets totalled 390 million yuan. By the end of the year, the

province as a whole built 1,803 markets of various descriptions, of which the Jilin corn wholesale market, the Changbaishan mountain goods markets in Baishan city, the Meihekou rice wholesale market, Wanliangchang Baishan ginseng market in Fusong County, and the Guangfu Road Market in Changchun city, which were regional or national markets, all took initial shape, and these markets unceasingly strengthened their influential role. The transaction volume of the urban and rural country fairs totalled 14.48 billion yuan, up 33.3 percent over the previous year.

Price reform was unceasingly deepened and the rise in prices was too high. Based on the previous year's fairly high rise in prices, the state and the provincial authorities successively conducted price readjustment, particularly the readjustment of grain prices, which played an influential role in price rise. Affected by the excessively rapid increase in the investment demands in successive years and the over supply of money, the commodity prices were comprehensively increased during the year. Although the province adopted various effective measures to control price rise and kept the rise of commodity prices throughout the province lower than the national average, the pressure on the lives of low-income residents still remained high.

The 1994 increase margins of various prices in comparison with the 1993 margins is as follows:

	Price increase over 1993 (%)	Increase of price rise margin over 1993 (percentage points)
1. Residents' living consumption prices	20.6	8.0
Of which: urban areas	23.2	10.0
rural areas	17.0	8.2
2. Retail prices (including means of agricultural production)	20.2	8.9
Retail prices (excluding means of agricultural production)	19.9	0
Foodstuffs	31.0	17.5
Grain	39.5	17.1
Oil fat	44.2	30.0
Clothes, shoes, and hats	14.3	8.3
Textile fibers	10.7	7.8
Traditional Chinese and western medicines	9.7	1.5
Cosmetics	11.3	0
Books, newspapers, and magazines	29.2	23.4

Cultural and sports appliances	10.8	9.8
Articles of daily use	10.8	5.5
Household electric appliances	3.5	4.2
Ornaments	16.6	0
Fuel	17.1	-42.6
Architectural decoration materials	15.4	-11.9
Machinery and electronics products	0.4	1.1
Means of agricultural production	20.2	10.9
3. Service prices	16.3	-8.2
Of which: urban areas	17.3	-8.2
rural areas	14.5	-1.8
4. Purchase prices of raw materials and fuel power	13.9	-60.0
5. Ex-factory prices of manufactured products	15.7	-12.3
6. Purchase prices of agricultural and sideline products	32.8	14.4

#### 6. Foreign Economic Relations

In 1994, along with the constant deepening of the reform of foreign trade system, the province made new breakthroughs in foreign economic relations and trade, the scale of import and export continued to expand, the new pattern of multi-channel export was formed, and economic efficiency improved steadily.

Import and export trade increased steadily, and foreign exchange revenue from export increased by a relatively wide margin. According to the statistics by the provincial foreign trade department, the total value of import and export realized in the province in 1994 amounted to \$3.58 billion, an increase of 20.1 percent over the previous year, of which, the total value of export was \$2.02 billion, an increase of 25.1 percent, fulfilling the target of doubling the export value in three years; and the total value of import was \$1.56 billion, an increase of 14.7 percent. By the end of 1994, the province had trade contacts with 120 countries and regions. The export value of the province's border trade was \$560 million, accounting for 28.0 percent of the province's total export value; and the import value was \$430 million, a drop of 12.2 percent from the previous year.

The work of absorbing foreign funds witnessed remarkable results, and relatively big increase was effected in utilization of foreign funds. In 1994, the province newly approved 1,104 contracts on utilizing foreign funds, with the contracted value of foreign funds reaching \$1.68 million, an increase of 5.0 percent over the previous

year. The funds actually put to use totaled \$810 million, an increase of 24.4 percent. Of this amount, the direct investment by foreign traders was \$320 million, an increase of 28.0 percent. The loans from abroad amounted to \$490 million, an increase of 22.5 percent.

Foreign economic and technological cooperation made new headway, with the regions we cooperated with, and the fields of cooperation expanding continuously. By the end of 1994, 43 countries and regions had come to invest and build enterprises in Jilin, and the fields of cooperation had been expanded from industry, agriculture, and commerce to transportation, telecommunication, and real estate. Last year, contracts worth \$200 million for construction projects and labor service cooperation abroad were signed, up 2.1 times from the preceding year; and transactions totaling \$85.24 million were completed, up 47.2 percent.

Tourism remained brisk. In 1994, Jilin strengthened and improved the tangible and intangible conditions for tourism and expanded publicity to overseas. It received 154,000 foreign guests, Hong Kong, Macao, and Taiwan compatriots, and Overseas Chinese who came for sightseeing, visiting, and other activities and earned \$23.5 million from tourism in the whole year, up 95.0 percent.

#### 7. Banking and Insurance

Banking and insurance developed in a healthy manner, and their transactions were further expanded. At the end of 1994, savings deposits in banks and other monetary institutions throughout Jilin totaled 77.98 billion yuan, an increase of 17.47 billion yuan over the figure at the beginning of the year; and loans totaled 125.69 billion yuan, an increase of 21.52 billion yuan over the figure at the beginning of the year and an increase of 3.09 billion yuan over the figure of the preceding year. Monetary order was good, the structure of loans optimal, and the rate of reserve funds better. The premiums for various kinds of insurance totaled 198.85 billion yuan in 1994, up 39.3 percent from the preceding year; the income from insurance 690 million yuan, up 15.2 percent; and the cases of claims 173,000, and the indemnity 640 million yuan, up 46.4 percent.

#### 8. Science and Technology, Education, Culture, Public Health, and Sports

Encouraging achievements were scored in science and technology. In 1994, Jilin won 903 scientific research achievements, up 25.1 percent from the preceding year. Of the total, 655 reached domestic advanced levels, and 116 were registered by the various ministries and commissions of the State Council. In all the scientific research achievements, 179 won the provincial awards for scientific and technological progress. The research on the sterile gene of soybeans won the award for international leading level; 15 scientific research achievements won the awards for international advanced levels; 76 won the awards for domestic leading levels; 82 won the awards for domestic advanced levels; and five won the

awards for provincial advanced levels. Throughout the year, 1,556 patent applications were submitted to the State Patent Bureau, and patent rights were granted to 918 of them.

Conditions improved for scientific and technological activities, and scientific and technological input increased. At the end of 1994, Jilin had 205 independent research and development institutes at and above the county level, which were subordinate to government departments, 234 scientific research institutes affiliated to schools of higher learning, and 431 scientific research institutes run by large and medium-sized industrial enterprises. A total of 72,000 people were engaged in scientific and technological activities, of whom 44,000 were scientists and engineers. Scientific research institutes, schools of higher learning, and large and medium-sized industrial enterprises throughout Jilin spent 1.62 billion yuan in scientific and technological undertakings in 1994, up 54.3 percent from the preceding year. Of the total, the expense on research and development came to 210 million yuan.

Technology markets developed vigorously. In 1994, 5,572 technology contracts worth 600 million yuan were signed. The average transaction of each contract totaled 109,000 yuan, up 27,000 yuan from the preceding year. Technology trade institutions of various kinds working vigorously in the technology markets totaled 2,730, up 7.8 percent from the preceding year; and persons engaged in technology trade numbered 42,000, up 7.7 percent.

Education continued to develop in the process of restructuring, and ordinary higher education witnessed fairly rapid development. In 1994, Jilin enrolled 1,871 new graduate students in 1994 to make the total number of graduate students 5,192, up 26 and 722, respectively, over the preceding year. Regular institutions of higher learning recruited 30,900 students taking regular and special courses, an increase of 300 students; and the enrollment in these institutions reached 95,200 students, an increase of 8,900 students. Secondary vocational education continued to develop. In 1994, various categories of secondary vocational and technical schools (excluding technical schools) had an enrollment of 209,000 students, witnessing an increase of 13,000 students over the previous year, accounting for 54.7 percent of the total enrollment in the senior high schools, and showing an increase of 0.7 percentage points over the previous year. On the basis of popularizing elementary education, the province further upgraded the teaching quality of the elementary schools. In 1994, the enrollment in regular junior high schools was at 1.093 million students and there were 2.642 million elementary school pupils, an increase of 69,000 pupils over the previous year. The school attendance rate of elementary school-age children reached 99.63 percent and 94.63 percent of the elementary school graduates attended the schools of a higher level, respectively increasing 0.33 percentage points and 3.52 percentage points. Appropriate achievements were made in preschool education. Particularly,

noticeable achievements were made in education of pre-elementary school education. More than 85 percent of the children of six or seven years old accepted pre-school education. In 1994, the province had 4,267 kindergartens which 551,000 children attended.

Various forms of adult training networks took shape. In 1994, adult colleges and universities independently established by the province enrolled 31,800 students taking special and regular courses, an increase of 5,200 students over the previous year; their enrollment reached 77,800 students, an increase of 15,400 students; the adult secondary technical schools had an enrollment of 49,800 students, an increase of 12,800 students; and the graduates from adult technical training schools reached 1.844 million, an increase of 245,000 students. Achievements were made in wiping out illiteracy. Some 24,000 illiterate persons were wiped out during the year.

Cultural and artistic undertakings were brisk. By the end of 1994, the province had 69 art troupes, which staged 8,581 performances and attracted an audience of 7.05 million persons. There were 62 theaters, 444 cultural and art centers (stations), 50 public libraries, 16 museums, and 92 archive centers. There were 28 broadcasting stations, 36 short- and medium-wave transmitters and relay stations, and 43 television stations. There were 64 television transmitters and relay stations with a capacity of more than one kilowatt each. The radio coverage rate reached 85.5 percent and the television coverage rate, 83.5 percent. There were 2,427 film projection units in the province, 80,000 films were projected during the year, and an audience of 10.78 million persons were attracted. Fifty-eight local papers were published, 620 million copies of papers were printed, 194 magazines of various kinds were published, 55 million copies of magazines were printed, and 136 books were published.

The Changchun Film Studio produced 18 feature films, produced two films in cooperation with others, helped others produce two films, produced three cartoons, and dubbed nine films. The film distribution units distributed 154 new (feature-length) films of various types. Thirteen telefilms of 124 episodes and 23 radio plays of 136 episodes were produced.

The urban and rural people's medical conditions were further improved along with the continuous development of public health undertakings. In 1994, the province had 3,920 public health organizations; and 132,300 specialized medical technicians, an increase of 3,000 persons over the previous year. Of them, 53,900 were doctors and 22,000 were nurses and senior nurses. There were 94,700 hospital sickbeds. A number of medical organizations were newly built, rebuilt, and expanded during the year.

There were good achievements in sports. In 1994, Jilin Province's athletes captured a golden medal, a silver medal, and two bronze medals at the world-level games; and nine golden medals, three silver medals, and eight bronze medals at the Asian-level games. Three of the

province's athletes broke six world records, one broke an Asian records twice, and one broke two national records twice. Six athletes broke 12 national youth records on 21 occasions, 136 athletes and 13 teams broke 39 provincial youngster-level records and attained a provincial youngster-level record, two athletes attained the international top-torch players' requirements, and 10 athletes attained the national-level top-torch players' requirements.

#### 9. Population and People's Life

The natural population growth rate declined notably. Thanks to the reinforced family planning measures adopted by party committees and governments at all levels, Jilin won marked achievements in strictly controlling the population growth in 1994. According to the sample survey on population changes, Jilin's birth rate of the population was 14.11 per thousand in 1994, death rate 6.35 per thousand, and the natural population growth rate 7.76 per thousand, down 1.21 permillage points from the preceding year. Based on this, Jilin's year-end population came to 25.744 million, an increase of 199,000 over the year-end figure of the preceding year.

The income of urban and rural people increased notably. Urban people's per capita cost of living income was 2,311.44 yuan in 1994, up 31.3 percent from the preceding year, or 6.5 percent when allowing for price rises. Peasants' per capita net income was 1,271.63 yuan, up 42.6 percent from the preceding year, or 9.0 percent when allowing for price rises.

The actual living standards of urban and rural people was raised further, and housing conditions continued to improve. Urban people's cost of living expense totaled 2,096.40 yuan per capita in the year, up 31.4 percent, or 6.6 percent when allowing for price rises. Peasants' cost of living expense was 853.73 yuan per capita, up 27.4 percent, or 5.7 percent when allowing for price rises. The increase in urban and rural people's consumption was by and large at the same level as the increase in their income. Calculated based on the sample survey, the per capita living space of Jilin's urban households was 9.03 square meters, and that of rural households 18.14 square meters, up 0.42 and 2.18 square meters, respectively, from the preceding year.

The employment system was gradually improved, and wages of staff members and workers were increased. Jilin had 747 township, town, and neighborhood employment service stations in 1994. Labor departments at and above the county level built six markets for labor force exchanges, which received 12,000 employers and 330,000 job-seeking persons and helped employ 280,000 persons. A total of 114,300 urban job-seekers were provided jobs in the year. The annual wage bill for staff members and workers totaled 17.98 billion yuan, up 26.3 percent from the preceding year, and the average cash income of staff members and workers was 3,370 yuan, up 24.7 percent.

The savings deposits of urban and rural people grew by a large margin to reach 53.56 billion yuan at the end of the

year, an increase of 14.58 billion yuan over the figure at the beginning of the year. Of the total, the savings deposits of urban people came to 46.61 billion yuan, an increase of 12.99 billion yuan; and those of rural people 6.95 billion yuan, an increase of 1.59 billion yuan.

Social welfare undertakings further improved. In 1994, Jilin had 930 social welfare institutions to house 43,000 people, and the coverage of social security network reached 87.8 percent. Disaster relief and aid-the-poor funds totaling 95.7 million yuan were issued to 1.41 million recipients in the year. There were 1,655 social welfare enterprises in the province, which placed 24,000 handicapped people.

Environmental protection made substantial headway, and the people's living environment improved. By the

end of 1994, Jilin had 62 environment supervision and monitoring stations and 13 state- and provincial-level nature reserves. Within the year, 212 environmental pollution control projects were completed on time, and investment totaled 94.64 million yuan. In 25 cities in the province, 206 smoke and dust control areas covering 359 square km and 83 noise control areas covering 148 square km were established by the end of the year.

**Note:** 1. Some figures in this communique are preliminary.

2. Gross domestic product and the added value of agriculture, industry, construction, transportation, posts, and telecommunication are calculated at current prices, whereas growth rates are calculated at comparable prices.

### East Region

#### Radio Commentary Calls For Direct Links OW1804124595 Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 4 Apr 95

[News commentary by station commentator (Yi Xin): "Allowing Visits to Taiwan by Mainland Economic and Trade Personnel To Promote Economic Exchange Between the Two Sides of the Strait"; from the "News and Current Events" program]

[FBIS Translated Text] On 27 March, Taiwan's Mainland Affairs Council [MAC] decided to relax procedures to allow mainland economic and trade personnel to visit Taiwan. The MAC will submit the decision to the Executive Yuan for approval and the procedures may be promulgated for implementation in April.

In August last year, the MAC adopted a draft statute formulated by Taiwan's Economic Affairs Ministry on allowing mainlanders to visit Taiwan for economic and trade activities or sightseeing. Later, due to policy considerations, the statute was partially revised. So, this is the second time the MAC has adopted the statute. This time, the statute includes provisions on allowing officials in charge of economic and trade work of Taiwan affairs offices and trade and officials of related departments to visit Taiwan on a case-by-case basis.

In consideration of the changing political and economic situation on both sides of the strait and the plan to build Taiwan into an economic and trade center in the Asia-Pacific region, it was learned that the Taiwan authorities have decided to allow mainland economic and trade personnel to visit Taiwan for sightseeing or attending meetings so as to promote economic and trade exchanges between the two sides of the strait. This measure will be conducive to promoting and developing economic and trade relations between the two sides.

With the gradual implementation of policies to allow mainland economic and trade personnel to visit Taiwan, Taiwan business circles have recently stepped up efforts to invite those mainland people who have been maintaining close relations with Taiwan to visit. (Wang Ling-ling), chairman of the Taiwan Federation of Commerce committee for developing economic and trade relations with the mainland and concurrently chairman of the Trade Arbitration Association, has gone to Beijing to invite Zheng Hongye, chairman of the China Council for the Promotion of International Trade, to take part in a symposium on trade disputes and arbitration to be held in Taipei [Taipei] in May this year on behalf of the MAC and the Strait Exchange Foundation. Taiwan's Association for Developing Foreign Trade, the General Federation of Industries, and other organizations have all

expressed that, following the MAC's formal announcement on relaxing visits to Taiwan by mainlanders, they will give first priority to inviting Zheng Hongye and Jing Shuping, chairman of the All-China Federation of Industry and Commerce, to visit Taiwan.

(Wang You-cheng), chairman of the Taiwan General Chamber of Commerce, said that, after the MAC relaxes visits to Taiwan by mainlanders, the organization will immediately invite Chairman Zheng Hongye and other council members to visit Taiwan. In addition, it will also invite businessmen in Fujian, Hunan, Zhejiang, and other provinces to visit. Taiwan's business circles have predicted that a new wave of visits to Taiwan by heavyweight mainland economic and trade personnel will soon come.

Economic and trade contacts between the two sides of the strait have developed rapidly since the second half of last year. At a recent breakfast meeting in Taiwan, businessmen asked MAC Chairman Hsiao Wan-chang to allow workers of Taiwan enterprises on the mainland to receive training in Taiwan, to allow mainland laborers to work in Taiwan, to open direct transportation between the two sides of the strait, and to realize "three exchanges" [exchange of mail, air and shipping services, and trade].

(Liu He-chia), legislator from the Kuomintang and chairman of the Electronics Industry Association, noted that transporting cargo through a third country increases costs and that the early realization of "three exchanges" will be conducive to promoting business between the two sides of the strait.

The details of allowing mainland people to visit Taiwan are still not clear. In particular, before the formal announcement, the MAC refuses to reveal the qualifications and levels of officials of economic and trade departments and Taiwan affairs offices who may be allowed to visit Taiwan. However, it still gives people a clue. For example, representatives of mainland enterprises with registered capital of more than \$500,000 and senior executives of mainland companies invested in by Taiwanese businessmen will be allowed to visit Taiwan. The details will be known following a formal announcement by the Taiwan authorities.

The mainland always holds that it welcomes things conducive to the "three exchanges" and contacts of people between the two sides of the strait. Exchanges of people between the two sides are certainly necessary, and "three exchanges" in a direct manner between the two sides are necessary conditions for the healthy development of economic and trade relations between the two sides.

The early realization of "three exchanges" is not only conducive to promoting economic and trade exchanges between the two sides of the strait but also conducive to developing the economic role of the two sides in the Asia-Pacific region and even in the world economy.

**Official Pledges Enhanced Trade Exchanges With China**

OW1804132495 Taipei CNA in English 0927 GMT  
18 Apr 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—Chiao Jen-ho, vice chairman of the Straits Exchange Foundation (SEF), pledged Tuesday [18 April] that the SEF will spare no effort to promote visits here by Mainland China's traders and economics officials to enhance trade exchanges across the Taiwan Strait.

Chiao made the remarks on the eve of the implementation of guidelines governing economic activities in Taiwan by mainland businessmen and economics officials.

The SEF, a semi-official organization established in 1991 to handle various cross-Strait exchanges, is willing to invite mainland economic visitors to strengthen mutual understanding, he pointed out.

Those to be invited do not necessarily have to be involved in cross-Strait negotiations, he added. The SEF normally represents the Taiwan Government in talks with its mainland counterpart, the Association for Relations Across the Taiwan Strait (ARATS), on various cross-Strait affairs in the absence of direct ties between the two sides.

Under the guidelines, approved mainland management-level personnel and technicians will be allowed to make fact-finding tours and attend meetings in Taiwan, officials at the Ministry of Economic Affairs pointed out.

Those high-level mainland businessmen, who have worked in Taiwan-invested, foreign and overseas Chinese firms for more than one year, worked at the mainland's nationwide private trade organizations, resided abroad for more than four years and worked for foreign companies for more than one year, or worked for a mainland company having business connections with Taiwan and having a purchase amount of more than US\$1 million, are qualified to be invited to Taiwan, the officials elaborated.

According to the guidelines, they noted, Taiwan companies qualified to invite mainland economic visitors are those with a minimum paid-in capital of NT [new Taiwan] \$30 million (US\$1.18 million) or the amount of capital plus a mainland investment of at least US\$500,000.

The number of qualified companies totaled 15,808 and 126, respectively, they added.

Thirty-two government-backed foundations, including the Chung-hua Institute for Economic Research, Industrial Technology Research Institute and the Taiwan Textile Federation, as well as 18 national trade organizations such as the Chinese National Federation of Industries and the General Chamber of Commerce of the

Republic of China [ROC] are also qualified to invite mainland citizens to visit Taiwan for economic purposes.

In addition, they pointed out, the Republic of China arbitration association, the SEF and 1,198 multinational enterprises are also included on the list of those qualified to invite mainland economic visitors.

Each company or organization is allowed to invite three mainland businessmen per year for a stay of up to two months in Taiwan, they said.

**MAC Official on Barriers to Cross-Strait Air Links**

OW1904064795 Taipei CNA in English 0147 GMT  
19 Apr 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—The forging of direct air links with Mainland China will have to be delayed because barriers still stand in the way of their establishment, a ranking mainland affairs official said Tuesday [18 April].

"The proposed links will be possible only under the premises of security, dignity and order," said Kao Koong-lian, vice chairman of the Mainland Affairs Council (MAC).

Kao's statement was in response to remarks by a visiting mainland Aviation Association official, who said conditions were right for direct air links to begin.

But Kao said that as long as the two sides remain divided over the recognition of national flags and certification of official documents, "Direct flight service will in no way be realized."

Beijing has said that if direct air links are to be realized, the national title "Republic of China [ROC]" cannot be used in official documents regarding cross-strait flights and Taiwan airliners cannot carry the ROC flag when flying the route.

However, according to ROC law, the name of each airline and its country of origin must be specified on tickets, otherwise passengers cannot be compensated in case of accidents, Kao pointed out.

He called on Beijing to halt its hostilities toward Taipei and to recognize the Republic of China as a political entity.

The Ministry of Transportation and Communications worked out a draft report on direct air links earlier this year, Kao said. "That report was done entirely from a technical point of view. It does not necessarily mean the time for the opening of direct air flight routes is ripe."

MAC officials indicated that the government is giving top priority to direct flights to Hong Kong and Macao, which revert to Communist Chinese rule in 1997 and 1999, respectively.

Negotiations over the flight routes are seen by the government as a test to see whether direct Taiwan-Mainland air links can be set up on an "equal and reciprocal basis," the officials said.

**Premier Urges China To Handle Ties in Pragmatic Way'**

OW1904110195 Taipei CNA in English 0140 GMT  
19 Apr 95

[By Bear Lee]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—Premier Lien Chan said Tuesday [18 April] that the reunification of Germany provides a frame of reference for the development of relations between Taiwan and the mainland.

Lien said in responding to an inquiry from Chinese New Party Legislator Chen Kui-miao that Taiwan and the mainland could temporarily shelve the sovereignty issue and instead focus on developing mutually beneficial relations, featuring their participation in the United Nations on an equal footing.

Chen had suggested that both sides move beyond the sovereignty issue and use the European Community model of economic cooperation.

Lien said that in terms of the sovereignty issue, Beijing has long been enmeshed in the so-called "one Taiwan, one China" or "two Chinas" problem.

He said the government is considering allowing discussion on a wide range of issues with the mainland in the coming negotiations between the heads of the two sides' intermediary organizations—Taiwan's Straits Exchange Foundation (SEF) and the mainland's Association for Relations Across the Taiwan Strait. SEF chairman Ku Chen-fu and ARATS Chairman Wang Daohan met for the first time in Singapore in April 1993.

Lien also called on Mainland China to handle its relations with Taiwan in a pragmatic way.

**CBC To Lobby For Greater Financial Involvement**  
OW1804135095 Taipei CNA in English 0848 GMT  
18 Apr 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—Central Bank of China (CBC) Governor Sheu Yuan-dong will travel to New Zealand and the Philippines over the next two months to lobby support for further Taiwan involvement in international financial affairs, CBC officials said Tuesday [18 April].

Sheu is scheduled to leave for Auckland, New Zealand April 28 at the head of a 13-member delegation to the 1995 annual meeting of the Asian Development Bank (ADB) to be held May 3-5, they noted.

Taiwan is a founding member of the ADB.

In late May, Sheu will travel to Manila, the Philippines to attend the annual session of the conference of the governors of the South East Asian central banks.

Taiwan, which took part in the conference's 1992 session for the first time, became a full member in 1993. The 10-member conference met in Taipei last year.

During the second half of the year, Sheu is expected to attend the annual meeting of the Central American Bank for Economic Integration, the officials said. Taiwan is a non-regional member of the bank.

Moreover, they elaborated, Taiwan has business connections with the Bank for International Settlements, a clearing house for national banks and a forum for policy coordination.

In addition, they noted, Taiwan also has cooperative ties with the European Bank for Reconstruction and Development as well as the Inter-American Development Bank in bank financing.

Taiwan is willing to share its economic development experience with other countries to do its part in the international community, they stressed.

**France To Deliver 1st of 6 Lafayette-Class Frigates**

OW1804132795 Taipei CNA in English 0917 GMT  
18 Apr 95

[By Sofia Wu]

[FBIS Transcribed Text] Kaohsiung, April 17 (CNA)—The first of six Lafayette-class frigates the Republic of China [ROC] has purchased from France will be delivered to Taiwan next August or September, Navy Commander-in-Chief Ku Chung-lien said Tuesday [18 April].

Adm. Ku told the press in this southern Taiwan port city that the warship will be dubbed the Kang Ting-class frigate. "The commissioning of the missile frigate is expected to help beef up Taiwan's naval defense capability," he noted.

Ku said the French manufacturer of Lafayette frigates has faithfully carried out its contract with Taiwan.

"Manufacturing and testing of the ships have been proceeding smoothly and the French maker has observed all terms specified our purchase contract," he explained.

Taiwan struck a deal with France to purchase six Lafayette-class frigates in 1991 and delivery will be made between 1996 and 1999.

Meanwhile, Ku said military authorities are still studying the feasibility of building a military port in eastern Taiwan and have not yet made a final decision on the proposal.

"If we can find a suitable place to build a new port in eastern Taiwan, it may also be used for commercial purposes in addition to military use," Ku noted.

He further said the Navy will continue its regular patrol in the South China Sea.

"Our naval fleets have consistently patrolled the region twice a month to transport daily necessities and military supplies to ROC troops stationed on the Pratas Islands and Taiping Island in the South China Sea," Ku explained. Recent tensions in the region over the disputed Spratlys will not affect our scheduled patrols."

Ku also revealed that an ROC armada dubbed the "fleet of friendship" will start an overseas goodwill voyage in late May. "The voyage is a regular event for graduating Chinese Naval Academy cadets," Ku said, adding the program aims to help promote friendship and relations between the ROC and other countries as well as to give future naval officers a chance to practice their combat skills and enrich their navigational experience.

Ku did not rule out the possibility that the goodwill voyage may take the friendship fleet to countries with which the ROC does not maintain formal diplomatic ties. "The itinerary will be unveiled before the armada departs," he added.

Earlier in the day, Ku presided over a ribbon-cutting ceremony marking the beginning of a round-the-island demonstration voyage by a naval fleet, which comprises six naval ships, including a locally-built missile frigate and a Knox-class frigate leased from the United States.

The fleet will make calls at six major sea ports around the island, including Kaohsiung and Keelung. Local citizens will be allowed to board the ships to view its equipment. The program will end May 7.

#### Nicaraguan, Malawian Envoys Present Credentials

OW1804133095 Taipei CNA in English 0856 GMT  
18 Apr 95

[By Danielle Yang]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—New ambassadors from Nicaragua and Malawi presented their credentials to President Li Teng-hui Tuesday [18 April] at the presidential office.

Nicaraguan Ambassador Salvador Stadthagen Icaza [name as received], accompanied by Larry Wang, director of the Foreign Ministry's Protocol Department, presented his credentials to Li in the morning.

Later, Li received the credentials of Malawi Ambassador Tipu Isaac Mchimika Vareta [name as received].

Li told the new ambassadors that the Republic of China [ROC] has traditional close ties with Nicaragua and Malawi and he called for expanded relations based on existing good ties.

Both Stadthagen and Vareta said they will work towards strengthening friendly ties with the ROC.

#### Direct Flights To Pyongyang To Begin 26 Apr

OW1804132895 Taipei CNA in English 0907 GMT  
18 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—Beginning April 26, Taiwan tourists will be able to fly directly to the North Korean capital of Pyongyang aboard a chartered jet, Civil Aeronautics Administration sources said Tuesday [18 April].

The inaugural flight will accommodate 200 passengers and pass through Japanese and Russian airspace before landing in Pyongyang.

Representatives from 14 domestic travel agencies visited North Korea in February and formed an association upon returning to Taiwan to help resolve problems encountered when flying through the different flight information zones over North Korea and Russia. Taiwan does not maintain diplomatic ties with either nation.

Taiwan travel agencies said they are eager to tap the market in North Korea as Pyongyang gradually opens itself to outside world.

#### Fasteners Industry Remains World's Largest Exporter

OW1804140495 Taipei CNA in English 0839 GMT  
18 Apr 95

[By Lilian Wu]

[FBIS Transcribed Text] Taipei, April 18 (CNA)—Taiwan remained the world's fastener export leader in 1994, with export value and volume both setting new highs, the Taiwan Industrial Fasteners Institute said Tuesday [18 April].

Institute officials said fastener exports topped US\$1 billion for the first time in 1994 to hit US\$1.06 billion, up 24 percent from 1993. A total of 694,000 tons of fasteners were exported last year, up 19 percent from last year.

Although fastener exports hit new highs in 1994, institute officials voiced worries that Taiwan's labor shortage has delayed delivery of many orders. Concerned about their future development, the officials urged the government to allow employment of foreign laborers in the fastener industry.

In terms of individual product, tapping screws posted the best performance last year with exports totaling 100,000 tons, up 32 percent from 1993. Tapping screw exports were worth US\$200 million in 1994, up 35 percent from 1993.

Wood screw exports hit 70,000 tons in 1994, up 18 percent from 1993 and valued at US\$100 million, an increase of 22 percent from last year.

Nuts and bolts again proved to be the mainstay of Taiwan's fastener industry, with exports of the products reaching 290,000 tons and worth US\$390 million.

The United States remained the major market for Taiwan fasteners, buying 65 percent of all exports, followed by Germany, Canada and Japan.

### Hong Kong

#### Lu Ping Attends Reunification Photo Show Opening

OW1804141695 Beijing XINHUA in English 1332  
GMT 18 Apr 95

[FBIS Transcribed Text] Beijing, April 18 (XINHUA)—A photo exhibition to greet the reunification of Hong Kong to the motherland in 1997 opened here today at the Museum of Chinese History.

Lu Ping, head of the Hong Kong and Macao Affairs Office of the State Council, and Zhou Nan, director of the Hong Kong Branch of XINHUA NEWS AGENCY, attended the opening ceremony of the exhibition.

More than 200 photos in five groups are on show at the exhibition, including "The Sino-British talks on the issue of Hong Kong", "The signing of the Sino-British Joint Declaration", "The birth of the Basic Law of the Hong Kong Special Administrative Region", "A smooth transition of Hong Kong" and "The future of Hong Kong".

Pictures on display cover the whole package of policies and principles of the Chinese government to deal with the issue of Hong Kong.

Officials from Hong Kong, who are now attending a meeting in Beijing, were also present at the opening ceremony.

#### PRC Official Takes 'Hard Line' on Taiwan Offices

HK1904073895 Hong Kong EASTERN EXPRESS in English 19 Apr 95 p 1

[By Rain Ren and Bruce Gilley]

[FBIS Transcribed Text] Beijing is set to take a hard line against Taiwan's two highest representative bodies in Hong Kong, turfing them out unless they change their directors, who are Taiwan government officials. China's avowed intention to restrict Taiwan activities in the territory after 1997 has come as Taipei prepares to set up a permanent representative office of all its bodies in Hong Kong before the transfer of power.

Taiwan's chief representative in Hong Kong, John Ni, said his country's Mainland Affairs Council will establish a permanent office in Hong Kong before the handover in an attempt to assert Taipei's role in the territory after 1997. Ni said the purchase of a building for the office would be a tangible sign of the council's intention to become "a bridge" between Taiwan and Hong Kong after 1997. "Before and after 1997, Taiwan organisations in Hong Kong will not withdraw," Ni said in an interview with Eastweek magazine, a sister publication of Eastern Express.

Taiwan's two highest official bodies in Hong Kong are the Foreign Affairs Ministry's Chung Hwa Travel Service and the Information Ministry's Kwang Hwa Information and Cultural Centre. The continuing existence of

the two bodies has been thrown into doubt by a senior Beijing official who told Eastern Express that China had never regarded the two bodies as non-government or semi-official, as Taiwan had always claimed.

"These two bodies have to cease functioning after July 1, 1997, since only Taiwanese non-government organisations will be allowed in the territory," the official said. "Not only are they actively engaged in political affairs here, they also want to play an even more significant role in Hong Kong's future." Even if the two organisations are commercial operations in Hong Kong, as their names suggest, their directors have to be changed, he added.

While it was China's long-held policy not to tolerate official Taiwan presence in Hong Kong, Beijing would still encourage "unofficial" exchanges in all areas between Taiwan and Hong Kong after the handover, the official said. Ni, however, said that Taipei had already allocated funds to set up a Mainland Affairs Council office before 1997. The exact role of the office would depend largely on the outcome of a planned meeting between the heads of the cross-strait contact groups of Beijing and Taipei, he said.

Taiwan is expected to seek guarantees from Beijing on its role in Hong Kong during the second meeting between Wang Daohan of China and Koo Chen-fu of Taiwan in the second half of this year. "At that time, our guiding policy for the handling of Hong Kong and Macao affairs will become more clear," Ni said.

Taiwan first mooted setting up a joint office of Taiwan organisations under the cabinet's Mainland Affairs Council in Hong Kong after Ni took up his Hong Kong post nearly four years ago. But opposition from Beijing—which said the move was an attempt to interfere in the territory's affairs and upgrade Taiwan's international status led to the plan being shelved. Its revival comes after an attempt by Beijing to restart reunification talks made in a speech by the party general-secretary, Jiang Zemin, in January.

Ni said that Hong Kong would become a critical issue in cross-strait relations in the future—taking up a theme recently made into official policy by Taiwan President Li Teng-hui. "The question of 1997 is a joint issue for China, Hong Kong and Taiwan," Ni said. He indicated that Taipei would use the Hong Kong issue as a bargaining chip with Beijing in its demands to send officials to Taiwan. "The amount of room for manoeuvre accorded to Taiwan in Hong Kong after 1997 will decide—when the time is ripe—the future scope of activities for the mainland in Taiwan," Ni said.

#### Editorial Says PRC Veto Right Hurts Confidence

HK1904074095 Hong Kong EASTERN EXPRESS in English 19 Apr 95 p 14

[Editorial: "Rights and Wrongs of the Veto"]

[FBIS Transcribed Text] The latest pronouncement by a senior Chinese official, that, after 1997, Beijing has the right of veto over civil service appointments made by the chief executive, will do nothing to dispel the doubts of those who are already expressing mounting anxiety about Hong Kong's future autonomy.

The particular passage in the Basic Law which has now been so radically reinterpreted by the mainland declares that China will ratify the appointments made by the future chief executive of the special administrative region (SAR). To date, this paragraph has been taken by the Hong Kong Government to mean that Beijing will entrust their own SAR official to do the choosing of all key figures in the SAR civil service, and the National People's Congress will rubber stamp his appointments.

Now, however, it is becoming clear that the mainland intends a much more active part in the process. They may not hesitate to veto the post-1997 nominations, according to the highly placed official, unless they are given personal information on the senior civil servants before the handover. There are two points of concern here, quite apart from the fact that the Hong Kong Government cannot divulge the personal and private details of civil servants, since that is highly confidential information and not theirs to pass on.

The crucial points raised by this development, however, are first, what does this attitude imply for the future autonomy of the territory? Secondly, do the Beijing authorities have so little faith in their own judgment that they are unwilling to trust the decisions of the man or woman whom they themselves will have selected to run Hong Kong after the transition?

What of the oft-repeated pledges that Hong Kong people will rule Hong Kong? How does this fit in with the concept of Big Brother overruling appointments when it feels justified in doing so? This hardly tailors into the approach of "one country, two systems". It is unwarranted interference in Hong Kong's affairs.

No one questions the right of the chief executive to have background information on senior civil service personnel when the SAR becomes a reality in July 1997. He will then be in possession of the files, and can ask his appointees for whatever personal details he deems relevant. They, in turn, can volunteer the information or decline to do so, if they feel so inclined.

Until that time, the Hong Kong Government runs the bureaucracy by rules which safeguard the privacy of their employees, and it must continue to do so. The people currently in these positions may have no desire, or no intention, to continue in their present profession after the transition. They may plan to move into the private sector, and are unlikely to want highly personal information, of no concern to the new sovereign, to be kept on mainland files.

There is already a growing cynicism in the territory over the credibility of the "Hong Kong rules Hong Kong"

promise. Since the Preliminary Working Committee was set up, past pledges have had an increasingly hollow sound.

Emigration figures have jumped in recent months, and were already running at between 50,000 and 60,000 a year. It is often pointed out that citizens are also returning to Hong Kong in considerable numbers, but these are people who already have a foreign passport, and have the right of abode in other lands if the SAR fails to live up to its promise.

With such statements as this one about the veto, the mainland is persistently chipping away at people's confidence about Hong Kong. This is yet another blow to the hope of self-determination and, since a majority of the population is still rather jittery about the changeover, it will be counter-productive of the Beijing authorities to do anything which could cause further anxiety in the territory.

To argue that they will use this obscure line in the Basic Law to give themselves extra power is likely to cause a greater haemorrhage of top talent in the civil service. The most highly qualified people now have cause to worry that even after the chief executive appoints them to their posts, his or her decision could be challenged and thrown out, by whatever powers hold sway in the Great Hall of the People.

The stigma which would attach to the names and the professional reputation of those who were first appointed by the SAR and then rejected by Beijing would be intolerable. The mainland authorities should consider carefully the psychological impact that their words are likely to have, not just on the top ranks of the civil service, but on the whole population of Hong Kong.

#### **Government Reshuffle Furthers Localization Plan**

HK1204054195 Hong Kong SOUTH CHINA  
MORNING POST in English 12 Apr 95 p 2

[By Chris Yeung]

[FBIS Transcribed Text] The line-up of senior civil servants the administration hopes will straddle the change of sovereignty in 1997 fell into place with yesterday's reshuffle. No more musical chairs were expected, a senior official said, with the formation of this "Cabinet".

However, three more local Chinese need to be selected, in accordance with the Basic Law, to replace Attorney-General Jeremy Mathews, Commissioner for Customs and Excise Donald Watson, and ICAC Commissioner Bertrand de Speville.

Mr Mathews will stay on at least until the end of the year, the official said. Mr de Speville's successor will be announced this year while the replacement of Mr Watson will be named in mid-1996.

Yesterday it was announced Director of Home Affairs Joseph Wong Wing-ping, 46, will succeed Michael Leung

Man-kin, 56, when he retires as secretary for education and manpower in September.

Secretary for Trade and Industry Brian Chau Tak-hay, 52, will take over the recreation and culture branch after the unexpected departure of James So Yiu-chu.

Secretary for Works James Blake, 61, will step down in October. His job goes to Director of Highways Kwong Hon-sang, 56.

Director-General of Industry Denise Yue Chung-yeo, 42, succeeds Mr Chau in Trade, with his deputy Regina Ip Lau Suk-yeo, 44, taking over Ms Yue's post.

Deputy Secretary for Health and Welfare Shelley Lau Lee Lai-kuen, 45, will head Home Affairs.

"We should not take too many risks. There won't be a new attorney-general this year," the official said.

Localisation of the Legal Department has moved so rapidly that a strong leader like Mr Mathews would help "hold things together", he added.

It is understood that the Governor, Chris Patten, wants more time to observe the performance of two senior local officials—the Solicitor-General, Daniel Fung, and the Director of Public Prosecutions, Peter Nguyen.

China was informed of the latest reshuffle before a similar briefing was given to the Executive Council yesterday.

The official said there was no progress on the British initiative to begin discussions with China on the transition of senior officials.

"We can do nothing. Hong Kong people have to pray for themselves for a smooth transition of the civil service," he said.

#### The New Line-up

Chief secretary	Anson Chan Fang On-sang
Financial Secretary	Donald Tsang Yam-kuen*
Civil Service	Michael Sze Cho-cheung
Constitutional Affairs	Nichols Ng Wing-fui
Economic Services	Gordon Siu Kwing-chue
Home Affairs	Michael Suen Ming-yeung
Education and Manpower	Joseph Wong Wing-ping *
Treasury	Kwong Ki-chi
Health and Welfare	Katherine Fok Lo Shiu-ching
Planning, Environment and Lands	Bowen Leung Po-wing*
Financial Services	Rafael Hui-Si-Yan*
Security	Peter Lai Hing-ling

Transport	Haider Barma
Trade and Industry	Denise Yue Chung-yeo
Recreation and Culture	Brian Chau Tak-hay
Housing	Dominic Wong Shing-wah
Works	Kwong Hon-sang*
Commissioner for Police	Eddie Hui Ki-on
Immigration	Lawrence Leung Ming-yin
Audit	Chan Yin-tai *

\* designate.

#### Macao

**Guinea-Bissau President Arrives on Private Visit**  
HK1904074595 Hong Kong HONGKONG STANDARD  
in English 19 Apr 95 p 4

[By Harald Bruning in Macao]

[FBIS Transcribed Text] President of the west African Republic of Guinea-Bissau, General Joao Bernardo "Nino" Vieira, arrived in Macao yesterday for a two-day private visit. During his stay, which follows an official visit to Taiwan, Mr Vieira is scheduled to meet the enclave's governor and his namesake General Vasco Rocha Vieira Macao Legislative Assembly chairwoman Anabela Ritchie and local government officials and businessmen. Gen Vieira also plans to visit the construction site of the Macao International Airport, off Taipa island. The airport is slated to be officially inaugurated on 8 December.

Guinea-Bissau was a Portuguese colony from the 15th century until it became independent in September 1974 after a bloody two-decade-long guerilla war. The country of about one million inhabitants, covering an area of 36,125 square kilometres, is one of the few nations that maintains full diplomatic relations with Taiwan.

Gen Vieira, 55, has been president of Guinea-Bissau since 1980. The country's main export goods are agricultural produce and marine catch. Its debt-ridden economy recently has been hit by strikes. Guinea-Bissau is a member of the seven-nation Community of Portuguese-language Countries. The other nations include Portugal, Brazil, Mozambique, Cape Verde, Sao Tome Principe and Angola.

Portuguese President Mario Soares proposed during an official visit to Macao earlier this month that the enclave become an observer-status member of that community. The Macao government endeavours to establish the enclave as a gateway to China for Portuguese-speaking nations.

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